

The Global Newspaper  
Printed in Paris  
in Paris, London, Hong Kong, Singapore  
and The Hague.

WEATHER DATA APPEAR ON PAGE 17

No. 31,407

# Herald Tribune

Published With The New York Times and The Washington Post

PARIS, FRIDAY, FEBRUARY 10, 1984

ESTABLISHED 1887

## U.S. to Keep a Role in Beirut

### 6th Fleet Hits Rebels Despite Syrian Threat

Compiled by Our Staff From Dispatches  
BEIRUT — The U.S. 6th Fleet again fired on rebel positions in Syrian-held Lebanon territory Thursday despite threats of retaliation against Americans.

Echoing a warning issued Wednesday by the Lebanese Druze Moslem leader, Walid Jumblatt, Syria said that U.S. ships off the Lebanese coast would be endangered if U.S. military action in Lebanon escalated.

Damascus radio said: "President Reagan can order the ships and aircraft of the 6th Fleet into combat, but he cannot guarantee the scale of the response the U.S. forces will get as they remain over the deep and terrifyingly dark waters of the sea."

President Hafez al-Assad of Syria pledged to "help Lebanon rid itself of all threats to its unity and identity and to its Arab ties and commitments," it said.

The U.S. Marine spokesman, Major Dennis Brooks, said the destroyer *Moosebucker* on Thursday had fired 150 5-inch rounds after shelling of Christian areas by rebels east of the capital.

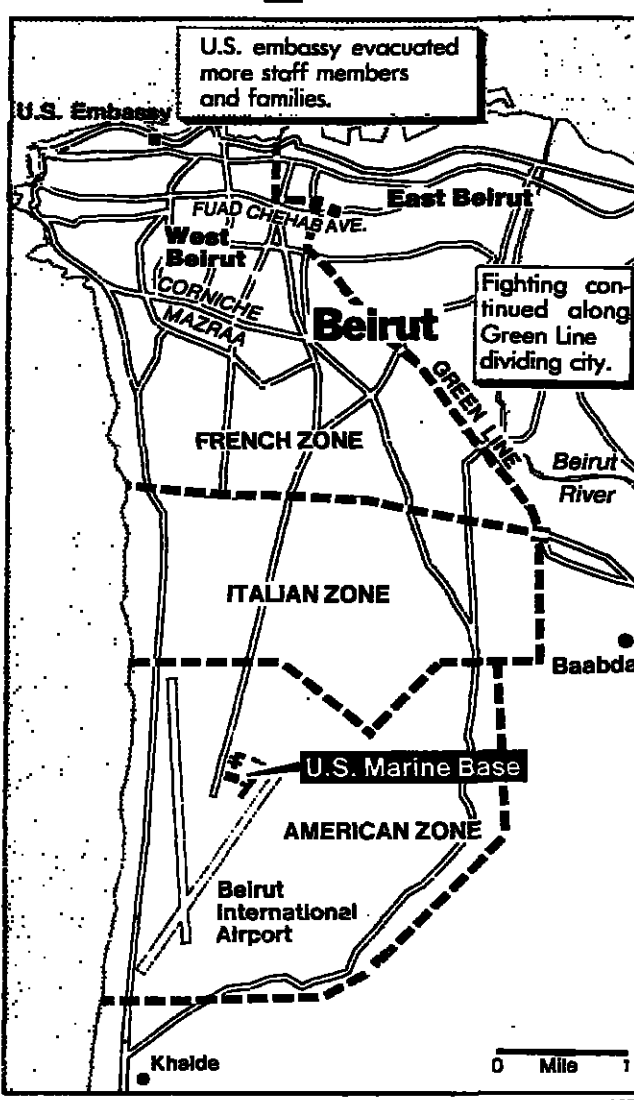
Both government and rightist Phalangist Party radios said warplanes had attacked artillery positions in the mountains 20 miles (30 kilometers) northeast of Beirut.

Phalangist radio said U.S. F-14 Tomcat fighter-bombers flew over Syrian positions east of Beirut shortly before the barrage began.

Beirut radio stations said Syrian and Israeli Air Force jets repeatedly flew over eastern and southern Lebanon during the day.

On Wednesday, more than 150 16-inch shells from the guns of the New Jersey, the world's only operational battleship, pounded rebel-held hills beyond the capital.

U.S. officials did not comment



### Partial Withdrawal of Force Would Allow Reassessment

The Associated Press  
WASHINGTON — Defense Secretary Caspar W. Weinberger, declaring that "We are not leaving Lebanon," said Thursday the United States tentatively plans to transfer 500 U.S. Marines out of Beirut by the end of the month and then assess the situation.

Mr. Weinberger, testifying before the House Foreign Affairs Committee, said, "I want to make it clear that the transfer of Marines does not in any way serve as a giving up of our goals in Lebanon."

President Ronald Reagan announced Tuesday that the Marines, now numbering 1,500 and based near the Beirut International Airport, would be pulled back to ships offshore.

Mr. Weinberger said, "It is probable the first Marines will be moved out before the end of the month."

The tentative plan, he said, is for 500 troops to be put aboard ships by the end of February and then to "see what situation developed with regard to the balance" of power in Lebanon.

Mr. Weinberger thus left open the possibility that several hundred Marines could remain in Beirut for an undetermined amount of time.

At another point, he said: "We are not leaving Lebanon. The Marines are being redeployed 2 to 3 miles to the west."

But if needed, Mr. Weinberger said, the Marines could be evacuated quickly. "It can be done in a very short time," he said, "a matter of days."

Mr. Weinberger said that if the government in Beirut fell completely, there were contingency plans to evacuate the estimated 1,000 U.S. citizens in the city. But for now, he said, the Reagan administration planned to continue training troops of the Lebanese Army and to leave behind enough Marines to protect the U.S. Embassy offices.

The defense secretary faced criticism questioning from both Republican and Democratic House members about Wednesday's heavy bombardment of Syrian positions in Lebanon by U.S. Navy ships, including the battleship *New Jersey*. He said the use of American firepower was necessary because of attacks on the U.S. Embassy offices and ambassador's residence.

"What we are doing is retaliatory fire," Mr. Weinberger said. "It seems proper to silence that kind of firing." The shelling also was done "to make quite clear that the transfer of the Marines is not giving up on our basic mission," he said.

Because of fears the new policy in Lebanon could lead to deeper U.S. involvement, there is a possibility that Mr. Reagan may face another congressional battle on a War Powers Resolution that would test his authority to use military force without approval from Congress.

Last September, Congress approved a resolution giving Mr. Reagan authority to keep the Marines in Lebanon through April 1985, but requiring additional approval for any wider U.S. military role.

The Democratic speaker of the House, Thomas P. O'Neill Jr. of Massachusetts, said Wednesday that shelling by the U.S. 6th Fleet against Moslem religious factions were not covered by the original War Powers Resolution.

Later, in testimony before the panel, Secretary of State George P. Shultz said: "When fired on, we defend ourselves. I think you can make out a very strong case that our position deteriorated when we did not return fire at all aggressively. And when we did return fire more aggressively, our forces were let alone."

"We have never gone there with the idea that we will be there with enough force to prevail militarily" (Continued on Page 2, Col. 6)

## Failure of Shuttle's Mechanical Arm Curtails Astronauts' 2d Space Walk

Compiled by Our Staff From Dispatches

CAPE CANAVERAL, Florida — The space shuttle *Challenger* had a fourth setback Thursday when a mechanical problem cut short a walk in space by two astronauts with jet-powered backpacks.

But Captain Bruce McCandless 2d and Lieutenant Colonel Robert L. Stewart ended the space walk, their second, on a positive note when they turned somersaults in the air before re-entering the shuttle. The two men are the first to walk in space without being tethered to a spacecraft.

While the astronauts were outside the shuttle, President Ronald Reagan made a radio-telephone call to the shuttle from his ranch near Santa Barbara, California, congratulating the astronauts and said the space walks had "opened a new era" in space.

He asked Captain McCandless how it felt to be out without a tether, and he replied: "The view is quite spectacular and panoramic. We literally have opened a new frontier on what man can do here."

The two were to have practiced chasing a spinning satellite, but that part of the space walk was abandoned when *Challenger's* remote-control arm developed a problem in its "wrist" joint.

The Canadian-built arm was to have lifted a simulated satellite above *Challenger* and slowly spin it while each astronaut flew to it and tried to grapple a docking device. A similar maneuver will be used in future retrievals of orbiting satellites, which normally spin slowly for stability.

The malfunction of the robot arm was the fourth setback during the mission. Earlier, two \$30-million communication satellites deployed by *Challenger*, Indonesia's Palapa-B and Western Union Corp.'s Westar-6, failed to go into proper orbit, and a balloon that was to be used to practice satellite retrieval disintegrated.

The arm was to have been used to rotate an instrument package to simulate the spinning motion of the Solar Max satellite, which shuttle astronauts will attempt to retrieve and repair in a mission in April.

Captain McCandless was to have rotated with the package and then ease to a docking with it.

Frank Logan, the deputy project manager for the April mission, said the failure of the robot arm is not expected to affect plans to retrieve the Solar Max satellite. Milt Windler of the National Aeronautics and Space Administration (Continued on Page 3, Col. 1)

## Withdrawal May Erode U.S. Influence in Gulf

By Drew Middleton

New York Times Service

NEW YORK — The reliance on air and sea power in Lebanon instead of the Marine presence on the ground could lead to an erosion of U.S. military and political influence in the Middle East, especially among the Gulf nations, according to U.S. and other NATO experts.

The experts' main contention is that, however the pullback is described by the Reagan administration, it will be considered a setback for U.S. military policy in the region and by some as a sign of a lack of staying power.

Few military experts say they believe that naval bombardment will prove to be an adequate deterrent to moves by Moslem guerrillas and their Syrian suppliers.

They also envisage the possibility of a government dominated by leftist Shiite and Druze Moslems eventually assuming power in Beirut. Such a government, they feel, would be under Syrian direction.

According to the experts, if Syria established military control of Lebanon it could direct Palestine Liberation Organization units south to

harry the Israeli occupation forces in southern Lebanon.

The U.S. Navy is confident that given the resources, which in the view of senior officers means at least two aircraft carrier groups and sufficient bombardment units led by the battleship *New Jersey*, it can keep the Syrians at bay.

Allied experts say that while naval shelling and aerial bombardment can be extremely effective against fortifications, ammunition and fuel depots and concentrations of vehicles, such tactics are less useful when the targets are highly mobile rocket launchers and light field guns that fire one round and then move to a new position.

They point out that, with the withdrawal of the Marines and the expected continued ineffectiveness of the Lebanese Army, the guerrillas who have been shelling U.S. and Lebanese targets from the outskirts of Beirut will move into the city itself accompanied by Syrian units.

In that situation, a North Atlantic Treaty Organization officer said, no one would expect U.S. ships to attack targets in the city, as the Israeli Air Force did in the summer of 1982 when it was attacking the PLO.

Israel, in the view of many of these experts, stands to suffer most

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## Reagan Planned Pullout While Accusing Critics of 'Surrender'

By Steven R. Weisman

New York Times Service

WASHINGTON — Even while he was attacking his critics for advocating "surrender" in Lebanon in recent weeks, President Ronald Reagan had decided tentatively to pull U.S. Marines back from their airport compound in Beirut, administration officials say.

The officials said Wednesday that Mr. Reagan set the pullback process in motion Jan. 21 during a meeting with Donald H. Rumsfeld, the special Middle East envoy, and top national security aides.

Five days later, the Joint Chiefs of Staff drafted a plan for moving the Marines. Mr. Reagan approved the force's removal in principle on Feb. 1, although he had second thoughts on Sunday because of the deteriorating situation in Lebanon.

President Amin Gemayel was not informed of Mr. Reagan's desire to remove the troops until last Monday, the officials said. Mr. Gemayel was said to have been given a package deal in which the pullback would be accompanied by increased military aid and by a promise of increased naval and aerial attacks on his enemies.

Administration officials said Mr. Reagan had decided to pull back the Marines after deciding that they had become too vulnerable and were playing no useful role in Lebanon. They said the Marines were being used as an excuse by Mr. Gemayel's foes for not joining in the "reconciliation" process.

The events of the last several days provide a glimpse into Mr. Reagan's management style.

On Sunday, the president decided to proceed with the plan to remove the Marines. But he decided also that the decision need not interrupt his planned birthday trip to his boyhood home in Dixon, Illinois, on Monday, followed by a stop in Las Vegas and a five-day vacation in California.

White House officials said that consideration was given to Mr. Reagan's returning to Washington early. But they said the president decided that he was receiving adequate briefings by telephone and that to return to the White House abruptly would have made the situation seem more urgent than it was.

"We didn't want to create an atmosphere of crisis," said a White House official. "There isn't one."

The domestic political pressure to remove the Marines boiled over last month. It was then that a Defense Department commission reported that failures in the chain of command had contributed to the deaths of 241 U.S. servicemen in the bombing of the Marine compound in Beirut on Oct. 23.

As Congress reconvened in late January, the administration found itself criticized by Republicans as well as Democrats for its policies in Lebanon.

Officials said that both Defense Secretary Caspar W. Weinberger and General John W. Vessey Jr., chairman of the Joint Chiefs of Staff, advocated removing the Marines from Beirut. Secretary of State George P. Shultz, however, was adamant in insisting that they remain as a show of support for Mr. Gemayel.

Throughout this period, Mr. Reagan continued to say in public that a lessening of resolve in Lebanon would be interpreted as a sign of weakness by Syria, Iran and other foes in the area.

According to a White House official, Mr. Rumsfeld returned from the Middle East for a meeting Jan. 21 after reviewing "the situation on the ground" in Beirut.

Mr. Rumsfeld reported that Mr. Gemayel wanted help in countering attacks from Druze and Shiite forces as well as more equipment and training.

At this meeting, officials said, the idea of a "package deal" for Mr. Gemayel emerged. Mr. Rumsfeld would be accompanied by a

field and Robert C. McFarlane, the national security adviser, were said to have proposed that the increased military assistance for Mr. Gemayel could be accompanied by a pullback of the Marines.

The "package" then helped "bridge the gap" between Mr. Shultz's concern about backing away from Mr. Gemayel, and the Pentagon's concern about the vulnerability of the Marines, according to officials.

"With the package, we were giving" (Continued on Page 2, Col. 3)

### Enke Sets Record In Speed Skating

From Agency Dispatches

SARAJEVO — Karin Enke of East Germany stormed to a world record Thursday as she won the gold medal in the women's 1,500-meter speed skating event on the first day of individual competition in the XIV Winter Olympic Games.

Her time of 2 minutes, 3.42 seconds broke the world record of 2:04.04.

Other highlights Thursday: • Maria-Liisa Hamalainen of Finland won the gold medal in the women's 10-kilometer cross-country skiing.

• In ice hockey, Czechoslovakia beat the United States, 4-1; Sweden routed Yugoslavia, 11-0; Canada beat Austria, 8-1; Finland defeated Norway, 16-2; the Soviet Union beat Italy, 5-1; and West Germany defeated Poland, 8-5.

• The men's downhill skiing was postponed until Friday because of fog and high winds. Coverage, Pages 8 and 9.



Karin Enke crying with joy after her victory Thursday.

## Andropov: Absentee Leadership

By Dusko Doder

Washington Post Service

MOSCOW — Reports circulating within the Communist Party bureaucracy suggest that President Yuri V. Andropov may be suffering from an ailment that affects his appearance and ability to talk.

These reports, officially unconfirmed, would help explain why the 69-year-old Soviet leader has been out of public view for almost 25 weeks.

Despite his absence from public duties, the daily concentration of references by the media to his personal leadership seek to leave an impression that he is indisputably in charge.

Soviet officials, while finally conceding that Mr. Andropov has been seriously ill, now say for the record that he is recovering and will reappear soon.

Behind these optimistic official accounts, other reports persist. Ac-

cording to one, Mr. Andropov's health has deteriorated, temporarily affecting his ability to speak. Another report says that he has an illness known as progressive spinal muscular atrophy, a disease that can be crippling although sometimes not fatal for many years.

The Soviet leader was hospitalized in October with an unspecified kidney ailment. He is known to be diabetic and has had a history of heart trouble. Before he disappeared from public view in August, he had noticeable difficulties in moving about.

Even in a closed society, bits of information usually trickle out. But Mr. Andropov's health has been subjected to a complete information blackout.

The mystery may be cleared up in a few weeks. By tradition, Mr. Andropov is required to meet with the voters of his district and deliver a campaign speech before the March 4 elections for the Supreme

Soviet. He is president of the Presidium of the Supreme Soviet, or head of state, as well as general secretary of the Communist Party.

Some foreign analysts say his failure to meet the voters would in effect place the question of succession at the top of the Kremlin agenda.

The Soviet system of government does not depend on parliaments; there are no debates in the Western sense, no opposition parties and no crucial votes. The party rules through the 13-member Politburo and the 9-member Secretariat of the Central Committee.

The next tier down in the decision-making process is the Central Committee, which has 300 members and only meets two or three times a year. Its members represent powerful interests in industry, administration, military, culture and

(Continued on Page 2, Col. 7)



David in the plastic compartment he lived in for 12 years, until he was removed Tuesday for medical treatment.

## Boy Leaves Bubble, His Only Home

12-Year-Old, Born Without Immunity, Is Treated for Illness

By Linda Little

Dallas Times Herald

HOUSTON — David, a 12-year-old boy who was born without immunity to disease, received his first kiss from his mother this week when he was taken from his sterile plastic bubble so doctors could treat an illness.

Doctors said he would not return to the bubble, where he has lived since birth.

The boy, who underwent a bone marrow transplant in October, was removed from the bubble at Texas Children's Hospital Tuesday after he became ill with fever, diarrhea and vomiting. Doctors say the illness is not life-threatening, but David was moved to a two-room sterile suite so he could be treated more effectively.

There his mother kissed him for the first time, and his father and 15-year-old sister hugged him. Although the family members wore gowns, masks and surgical gloves, it was the closest human contact he has had since birth.

"They were optimistic and elated," said a spokeswoman for the Baylor College of Medicine. "I'm sure it was very overwhelming for them to touch their son for the first time."

Hospital officials said David

would remain in the suite in the Baylor Clinical Research Center at the hospital until doctors determine whether the transplant was successful.

"David is out of his isolation unit permanently," the spokeswoman said. "It wouldn't serve any purpose. Any organisms that David is exposed to in the isolated room he is in now would be taken with him if he went back."

Officials said David's family would be allowed to visit him regularly.

David, whose last name has been kept confidential to protect his privacy, was born with severe combined immunodeficiency, which means that his body has no defenses against disease. He has survived longer than anyone with the disease.

In October, Baylor doctors attempted a risky, experimental bone marrow transplant in hopes of curing him. Marrow was extracted from his sister and injected into David, in the hope that her cells would trigger the production of disease-fighting cells.

Two weeks ago, the doctors reported that the number of immunoglobulins — potential antibodies — and the number of white blood cells, lymphocytes, had increased. Doctors said there was "no conclu-

sive evidence" whether the transplant would be successful.

If David's body rejects the bone marrow, the doctors plan to attempt a second transplant from his sister, hospital officials said.

"He's in good condition and good spirits," said Dr. William Shearer, who is treating David. "This is not considered a crisis, and David is not in imminent danger."

[On Thursday, spokesmen said David was responding to antibiotics and a liquid diet, United Press International reported.]

The transplant was delayed for years because the doctors were unable to find a perfect match. They attempted the transplant after a new experimental method was developed, allowing the sister's cells to be treated and cleaned, decreasing chances for rejection.

The bubble in which David lived has four air-filtered compartments made of plastic and plexiglass. The largest compartment, a playroom, measures 9 feet by 6 feet (3 meters by 2 meters).

David was able to leave the unit when the National Aeronautics and Space Administration built him a space suit when he was 6, but he quickly outgrew the suit. He was able to take special trips or occasionally go to the movies by using mobile equipment.







## Democrats Interrupt Talks on Deficit Until Pentagon Funds Are Cut

By Helen Dewar

WASHINGTON — Democrats have ruled out further bipartisan meetings on the budget deficit until the administration outlines "specific areas of the Pentagon budget which it is willing to cut."

The Democratic ultimatum occurred after a two-hour session Wednesday in which presidential aides suggested spending cuts and tax increases amounting to \$90 billion over three years. The Democrats rejected the proposal as "penny ante."

The only important decision made was to preserve Social Security from spending cuts, a gesture that underscored the political sensitivity of the talks but accomplished nothing in the way of budget savings.

The schedule for future meetings was in doubt. Wednesday night as the Democrats attempted to gain control of the negotiating agenda by demanding prompt consideration of substantial cuts in the administration's military buildup, President Ronald Reagan has vowed to continue the buildup.

"The next meeting will be on defense or there won't be a next meeting," said Christopher Matthews, a spokesman for the speaker of the House, Thomas P. O'Neill Jr., Democrat of Massachusetts, after House and Senate Democratic leaders met and agreed to insist that the next meeting be devoted to military matters.

The Senate minority leader,

Robert C. Byrd, Democrat of West Virginia, issued a statement saying no further meetings would be scheduled unless "the administration submits to us 48 hours in advance specific areas of the Pentagon budget which it is willing to cut."

Senator Byrd also said the Democrats would insist on waiting until after the Congressional Budget Office completes an analysis of Mr. Reagan's budget. The analysis is expected Feb. 22.

[The point was underscored Thursday when the House majority leader, Jim Wright, Democrat of Texas, sent a letter to the White House chief of staff, James A. Baker 3d, requesting that the next negotiating session "be devoted exclusively to discovering and agreeing upon ways in which the runaway growth in military spending can be reduced by at least \$100 billion over this time frame" of three years. The Associated Press reported.]

Mr. Wright has proposed a "stretch-out," or delay, in weapons procurement, military construction and related aspects of the military budget. Mr. Wright and Mr. O'Neill said this would save at least \$100 billion over three years.

White House officials reportedly agreed to examine the proposal, but there was no indication whether they would agree to the Democrats' other demands.

The talks stemmed from a proposal by Mr. Reagan in his State of the Union address two weeks ago



Jim Wright

for bipartisan negotiations to reduce budget deficits that are expected to hover around \$180 billion for the next few years and soar to \$300 billion or beyond by the end of the decade.

Democrats agreed to participate but have been wary of the talks as a political trap to eliminate deficits as an issue in the presidential campaign.

Democrats dismissed the White House proposals as mainly items that were included in Mr. Reagan's budget or in legislation that is pending before the House and Senate.

Nearly all the items fall in those two categories, except for \$25 billion in unspecified "defense and nondefense appropriations savings via the Grace Commission," a reference to the presidential commission that recently outlined billions of dollars in possible economies for the government.

## Sandinists Propose Law For Elections

Votes Would Be Secret; Foes Could Campaign

By Dan Williams

Los Angeles Times Service  
MANAGUA — The Nicaraguan government has disclosed a draft law setting out the rules for national elections for president, vice president and a constituent assembly.

No date has been set for the elections, but they are expected to take place next year.

A key provision of the law, announced Wednesday, permits soldiers to run for office, opening the way for the top commanders of the Sandinista National Liberation Front to seek election. The Sandinists have ruled the country since the 1979 revolution that overthrew the dictatorship of Anastasio Somoza.

The law was formulated by an electoral commission composed of Sandinists and members of Nicaragua's other political parties. It was presented to the Council of State, the executive branch of the government, which is expected to approve it soon.

Carlos Núñez Téllez, head of the Council of State and a member of the Sandinista directorate, called the electoral process "part of the work that the revolution is completing in its projects of importance."

The Sandinist leadership has denied that U.S. political pressure and attacks by U.S.-backed Nicaraguan rebels led to the decision to hold elections, which Washington has said would mark progress toward democracy.

The proposed law would allow political parties that could support their candidacy with petitions of 5,000 signatures to use television, radio and newspapers to promote their campaigns.

Voting is to be by secret ballot. Clerics could not run for president or vice president but would be eligible for seats in the assembly. The Sandinist government has two ministers who are Roman Catholic priests. The constituent assembly would serve as a legislature and draft a constitution within two years of its formation.

The date of the election is expected to be announced Feb. 21. The minimum voting age would be 18, a concession by the Sandinists, who had been campaigning for a minimum age of 16 to give the well-organized Sandinista youth organizations a voice.

Commenting on the draft law, a Western diplomat said: "Assurances like these have a life of their own. Once publicized, it is hard for them to be ignored by the government."

Pedro Joaquín Chamorro, editor of the opposition newspaper La Prensa, said he had seen no sign that free elections could be held. "We are still censored," he said, "and there are plenty of newspapers that have been closed here and may never reopen."



As onlookers followed his progress, this man made his way through flood water from the Lahn River to refuge in the Golden Anchor inn in Limburg, West Germany.

## Flooding in Rhineland Is Termed Worst in West Germany Since War

Compiled by Our Staff From Dispatches

BONN — Rising flood waters from the Rhine threatened the West German parliament building Thursday and residents of Cologne piled sandbags in the aftermath of overnight rain.

The flooding was described as the worst in West Germany since World War II. Three persons have been killed since Tuesday in weather-related traffic accidents, and police broadcast emergency flood warnings on almost every major river and reported thousands of cars washed away. Water from overflowing rivers throughout the north and west swept into towns and across farmland after four days of cloudbursts, snow and rainfall.

The Rhine was still rising Thursday as the water from tributaries built up and spilled over into many Rhineland cities overnight. Low-lying parts of Bonn and many areas of Cologne were already under water, officials said. The Mosel stood at 16 feet (5 meters) above normal and the Main was also swelling. The Lahn River dropped a little but was still reported over its banks.

In Switzerland, four persons, including three teen-age sisters, were reported killed Thursday when an avalanche buried two houses in Samnau on the Swiss-Italian border. Authorities issued warnings of a major danger of snowfalls throughout the Alps. The police said about 30 avalanches struck villages in four cantons with an unspecified number of people recovered unharmed or with minor injuries. (UPI, AP)

## Deputy Quits Greens To Protest Infighting, Influence of Marxists

By James M. Markham

New York Times Service

BONN — A parliament member of the Greens party left the party Thursday in protest of "intrigues and power struggles" and the growing influence of the Marxist-Leninist faction.

Gert Bastian, 60, a retired general who had left the West German Army over the issue of U.S. medium-range missiles, abandoned the party after complaining of bitter infighting and "a strong anti-American undertone" in the party's foreign policy positions.

Mr. Bastian's decision to leave the party but to remain as an independent in the Bundestag reduces the number of Greens deputies to 27. Should one more deputy quit, the Greens would lose their standing as a parliamentary group, which would sharply reduce their government subsidies and ability to speak in debates.

Mr. Bastian's departure comes in the midst of a power struggle among the Greens' Marxist-Leninists, its "fundamentalists" and advocates of collaboration with the Social Democratic Party.

The disorder within the party has weakened the West German pacifist and anti-missile movement, which has run out of steam since the deployment of the first U.S. Pershing-2 missiles in November.

A close friend of Peter Kelly, the founder of the party, Mr. Bastian belonged essentially to her fundamentalist wing, which holds that the Greens must preserve their identity as an "anti-party party" and avoid alliances with the Social Democrats.

His grievances centered on what he said was the chaos and infighting within the Greens' parliamentary group, sloppy distribution of state funds to its regional branches and the shortage of staff assistance for its deputies.

In a letter to party members last month, Mr. Bastian complained of "the regrettable absence of harmo-

ny and solidarity" among the deputies and demanded reforms.

He also deplored the seizure of key party positions by erstwhile members of the Marxist-Leninist Communist League, which he said had undercut the Greens' commitment to nonviolence and an expanded stance between the North Atlantic Treaty Organization and the Warsaw Pact. The Marxist-Leninists, he added, had generated "a strong anti-American undertone."

Miss Kelly predicted: "If we continue like we have in the last 10 months, we are finished as a party in four years. That's for sure. We are losing someone very capable in defense matters. People are just thrown away. And the guillotine is running."

Miss Kelly echoed Mr. Bastian's complaints about the ascendancy of the Marxist-Leninist faction, saying that at a recent gathering it had spurned her motion criticizing the Sandinista government in Nicaragua for postponing elections.

Miss Kelly said that the party leftists had assaulted her and Mr. Bastian for holding anti-missile demonstrations in East Berlin and Moscow and for reproaching demonstrators who threw stones at Vice President George Bush's motorcade in Krefeld last June.

"They seem to make fun of non-violence," said Miss Kelly. "They say it's tactics. I say it's a strategy." The strains have been accentuated by a decision of the party's Hesse organization to make a working arrangement with the local Social Democrats, who emerged from last September's state election there as the largest single party but short of a majority.

The Hesse compromise, which falls short of a coalition but which would permit the Social Democrats to pass legislation, has been assailed by both the Kelly and the Marxist-Leninist factions as a betrayal of the Greens' ideals. They have criticized the Hesse Greens for failing to commit the Social Democrats to abandoning atomic energy in the highly industrialized state.

"I think a lot of Greens do not have enough self-confidence," said Otto Schily, a deputy who advocates collaboration with the Social Democrats. "Our organization is amorphous and unripe, and a lot of Greens think we are being taken by the hand of the father SPD." Among the Greens' parliamentary group, another major source of tension has been a resolution by the party's congress that all deputies must rotate after two years, abandoning their positions to understudies. Incumbent deputies argue that rotation would deprive the party of continuity and force it to run in the 1987 elections with relatively unknown persons in parliament.

## NATO May Plan Common Frigate

Reuters

LONDON — Eight NATO nations have begun feasibility studies on the design of a frigate that would come into service late in the 1990s and serve the Western alliance into the next century, British military sources said Thursday.

The nations — the United States, Canada, Britain, West Germany, France, Italy, the Netherlands and Belgium — have signed a memorandum ordering a \$14-million study to determine if they can work out requirements for a common frigate, the sources said.

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## Executives Assure a Pentagon Panel Press Respects Military Secrets in War

By Jonathan Friendly

New York Times Service

WASHINGTON — Executives of seven of the largest U.S. news organizations, in testimony before a Pentagon panel, said repeatedly that the press could be trusted to keep military secrets and that the government had a responsibility to inform the public through the press.

The testimony Wednesday was unusual not because of its message but because it was given by news organizations that have in the past hesitated to detail their procedures for covering events. "We have never testified before anyone," said a witness, Benjamin C. Bradlee, executive editor of The Washington Post.

The panel was created after the invasion of Grenada, when military commanders, supported by the secretary of defense and the White House, barred reporters from the first two days of combat. The press and other groups protested the curbs and the panel was formed to draft principles or guidelines for combat coverage.

The Pentagon group, made up of

eight military representatives and six former journalists, has already agreed that reporters should be given access to military engagements "to the maximum degree possible consistent with the security of the mission and the safety of troops."

The news executives applauded that as a needed affirmation of a principle that they said commanders must accept and practice. They said there was no need for detailed and possibly confusing or inflexible new rules, because traditional principles of broad press access to combat zones and to military information had worked well.

Seymour Topping, managing editor of The New York Times, said: "The common-sense application of these principles to diverse military situations will continue to assure security while respecting the right of the public to be informed. Experienced military public affairs officers know how to cope with the specific problems that will arise."

Mr. Topping said The Times' primary responsibility was to cover an event "comprehensively, intelligently and objectively to meet the needs of readers to have information." That responsibility does not preclude respect for national secu-

rency, he added, noting that the paper had, for example, avoided referring to information it had about American methods of monitoring enemy messages.

Echoing a statement of principle issued last month by representatives of 10 major news organizations, the witnesses said Wednesday that the press had repeatedly shown itself to be trustworthy and willing to withhold reports that might endanger national security or the lives of soldiers.

Representatives of CBS News, The Washington Post and The New York Times, along with executives of The Associated Press, The Wall Street Journal, the Los Angeles Times and Cable News Network, talked about the criteria they used in assigning reporters to cover combat and their procedures for reviewing material to be sure it did not endanger security.

All said that when space for reporters was limited, the public's need for information could be filled temporarily by creating pools, reporting arrangements in which a handful of correspondents cover an event and later share their notes with other news organizations.

## Shultz Promises Increased U.S. Aid In East Caribbean

New York Times Service

BRIDGETOWN, Barbados — Secretary of State George P. Shultz, saying the United States wants to be a partner of the nations of Latin America and the Caribbean, promised increased U.S. economic and military involvement in the region.

Concluding an eight-day visit Wednesday that took him to El Salvador, Venezuela, Brazil, Grenada and Barbados, Mr. Shultz said the Reagan administration would consider a request from eastern Caribbean nations for U.S. aid in the development of a collective security force.

After meeting with leaders from six Caribbean nations, including Barbados, St. Lucia, St. Kitts-Nevis, Antigua, St. Vincent and Dominica, Mr. Shultz said the experience of Grenada, which was invaded in October by the United States and Caribbean nations, showed the necessity of organizing a regional security network.

The foreign minister of Barbados, Louis R. Tull, told Mr. Shultz that nothing since the intervention in Grenada "has caused any of us who committed our countries to action to question for one moment the rightness of the decision."



An Ariane rocket sits on the launching pad at the space center in French Guiana.

that went astray after being carried aloft by Challenger, Westar-6, had been ticketed to ride into orbit next month aboard Ariane until Western Union canceled the contract.

"They were concerned we would not be able to meet the deadline and might have additional technical problems," Mr. D'Allest said.

## Shuttle's Failure Boosts Europe's Ariane Rocket

The Associated Press

PARIS — One group of scientists is not surprised or overly sorry the U.S. space shuttle has lost two satellites worth \$105 million. They are the men and women who make and market the rival European rocket booster, Ariane.

"A failure in outer space affects everyone, so it is wrong to say we are jubilant," said Frédéric D'Allest, president of Arianespace, which sells use of the booster built by the 11-nation European Space Agency. "But this makes three disasters for the space shuttle against only two for Ariane."

Two satellites carried aboard Challenger earlier this week, Palapa-B-2 and Westar-6, were declared losses after their rocket boosters failed to put them into the proper orbit. Another satellite, TRDS, was launched from Challenger's sister ship, Columbia, last year but was months late being launched into its correct slot.

In three instances, the shuttle has now been unable to put valuable satellites into orbit," Mr. D'Allest said Wednesday.

The commercial effect of Challenger's failures "is too early to predict," Mr. D'Allest said. But he said it could have an important

impact on the European share of the 250 telecommunication satellites the European Space Agency estimates will be launched this decade.

Since Ariane's 1979 maiden launch from Kourou, French Guiana, two missions have been aborted, resulting in the loss of four satellites, including Maros-A and Sirio-2. That track record, Mr. D'Allest said in an interview, proves that an expendable rocket like Ariane is still the surest way to put objects in geostationary orbit.

The National Aeronautics and Space Administration's shuttle goes only into low orbit, from which satellites must be boosted by rockets to an altitude of 20,000 miles (32,250 kilometers). Ariane, like classic U.S. rockets, puts the satellite directly into high orbit by dumping its payload once it reaches the correct height.

"The shuttle depends on delicate rocket systems to insert the satellite at the correct perigee, and these reduce greatly the system's dependability," Mr. D'Allest said. "On the other hand, Ariane has a very precise inertial guidance system to put the satellite exactly where it should go."

Ironically, one of the satellites

## Failure of Shuttle's Mechanical Arm Curtails Space Walk

(Continued from Page 1)

ics and Space Administration in Houston said the mechanical boom would be easy to repair. He said there also are two spare arms.

Thursday, a foot restraint floated out of the shuttle's cargo bay and was moving away from the

shuttle when Captain McCandless went to the tail, reached out and captured it. He was not on his backpack, but on his safety line.

Captain McCandless had help from Vance D. Brand, the mission commander, who gently steered the Challenger toward the restraint.

"Just as he would do if he had to rescue a stranded astronaut in a maneuvering unit," mission control said.

Colonel Stewart later simulated a satellite-refueling operation. The fueling exercise was a step toward routine refueling of orbiting spacecraft, which could add years to the usefulness of some satellites.

The eight-day mission is scheduled to end at dawn Saturday with the first shuttle landing at the Kennedy Space Center in Florida. (Reuters, UPI, AP)

■ Indonesian Satellite

President Suharto of Indonesia has ordered the launching of another communications satellite to replace the one that failed after launching from Challenger. The Associated Press reported from Jakarta. Achmad Taher, minister of tourism, post and telecommunications, said Thursday that the money for the new satellite would come from the insurance on Palapa-B.

## Soyuz-10 Docks With Orbiting Station

The Associated Press

MOSCOW — Three Soviet cosmonauts docked the Soyuz-10 spacecraft with the orbiting Salyut-7 space station Thursday about 26 hours after they lifted off from a base in Soviet Central Asia, Tass reported.

Tass said the spacecraft approached the station on automatic navigation systems and was docked unusually by the cosmonauts. The

cosmonauts, two of them making their first space flight, were launched Wednesday from the Baikonur Cosmodrome in Soviet Central Asia.

Tass said that the three cosmonauts entered the Salyut-7 after the docking and that its systems were "functioning normally." The agency said the team, comprised of a pilot, an engineer and a physician, began its work aboard the station but did not provide details.

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February 10, 1984

Page 5

# Bob Swaim: An Outsider Inside French Movies

by Amy Hollowell

PARIS — It's obvious who is in charge here. Bob Swaim, in dark glasses and brown leather flight jacket, looks the part. He hops up behind the camera, motions here and there, calls out in French (accented by a light touch of American) to do this and that.

No problem, everybody goes about his business as directed. Despite the biting winter wind, Johnny Hallyday, the French rock star, moves through the street scene again as requested, happy, he says, to be working with Swaim because "he is so good."

"This is rare for a feature film director," says Swaim of his role as director of Hallyday's two rock videos. "But I'm doing it to stay, well, fresh. I think that's important for a filmmaker."

One of the videos is an English translation of a French song by Alain Bashung, "Casualty of Love," which Swaim hopes will bring Hallyday to U.S. audiences through the American rock video cable network, MTV. The other is intended for European distribution, a French rock 'n' roll "retro" song, "Mon Petit Loup." This double-barreled, bilingual project, with Swaim himself straddling the Atlantic, while moving to the forefront of international commercial filmmaking.

An American critic called Swaim's 1983 police thriller, "La Balance," "The French Connection with a brain." A big hit in New York, "La Balance" was second only to "E.T." in French box-office receipts last year and swept the French César awards, winning best film, best actor (Philippe Léotard) and best actress (Nathalie Baye). It was Swaim's second feature film and its success surprised everyone, not least of all Swaim.

"I was the dark horse, perpetually 'young and promising,'" he says.

His first film, "La Nuit de Saint-Germain-des-Près" (1977), despite critical acclaim, was a box-office failure. Portraying the Left Bank in the 1950s, the film was the "past" segment in Swaim's trilogy of Paris nightlife. "La Balance" portrayed the present, and his next film, "Peep Show," will represent the future.

Swaim, 40 years old, is a big man with a



Bob Swaim.

closely cropped beard and a rolling-swagger walk. He speaks softly and is timid by his own definition. As an American in Paris, he may be a foreigner, but he is hardly a stranger, having lived and worked here for 18 years.

"I sometimes think I'm more French than the French," he says. "In both the U.S. and

France, I have an inside sense but an outside view. I can see the little everyday things that natives in either country can't see."

This vision, as Swaim calls it, this blending of cultures into a new, homogenous way of looking at things, sets Swaim apart from other filmmakers of his generation. He says he is

thankful that his film career developed independently of what he terms the American mainstream, asserting that he was not jaded by the upheaval of American society during the 1960s.

"La Balance," which he believes has American pacing and French sensitivity, is a film about a prostitute (Baye) and her lover (Léotard) ensnared in a stool-pigeon scheme contrived by a policeman (Richard Berry) who cannot function without them. The characters are simple people trapped by their human weaknesses. After all, Swaim says, the real source of film is people, and he believes that too often French directors forget that.

"All these references to other films! We don't remember the lighting or the shadows in a particular film. We remember the Cary Grant character in that scene with the Katharine Hepburn character. That's who we identify with, the people."

So Swaim doesn't take taxis — he rides the subway, rubs elbows with everyone else out there. "To make films, I need to get the texture of life," he says.

Growing up in suburban Los Angeles in the 1950s, Swaim spent his Saturday afternoons at the movies. A child of the times, he was weaned on rock 'n' roll, comic books and B-movies, but was contemptuous of Hollywood and "the business," longing to escape southern California. He had dreams of writing poetry in San Francisco "like Gary Snyder" or vagabonding and writing in Europe "like Hemingway and Henry Miller."

"But I couldn't have done any of that. I was just a middle-class kid from the San Fernando Valley," he recalls. Instead, he studied anthropology at the University of California at Northridge, and after earning his bachelor's degree in 1965, came to Paris to do graduate work with Claude Lévi-Strauss. He lived in an unheated maid's room, soon discovering that for a day he could have a warm seat in the Cinéma-thèque next door, watching films from noon to midnight.

With nothing more than a casual viewer's knowledge, Swaim at first did not care what was on the screen. Before long, he began to recognize directing styles, noting a film for its maker rather than for its star. He became, he says now, a film bum. The following fall, he enrolled at the Ecole Nationale de la Photogra-

phie et Cinématographie, primarily a technical school — as opposed to the Institut des Hautes Etudes Cinématographiques, which traditionally prepared students for directing careers. As a foreigner without contacts and experience, he remembered what Jean Renoir had said, "that you have to know film technique well enough to forget it," and the technical aspect of cinema became his first priority.

After two years of study, Swaim bought his own camera and worked as a cameraman on various underground films. ("It was cheaper to hire me than to hire a camera.") He wrote scripts, made television commercials, worked as an assistant on crews, attended acting workshops conducted by Lee Strasberg in Paris, directed several short films and documentaries, even wrote articles for an English-language Paris city magazine. He was making money and thought he was "hot stuff." Then came the flop of "La Nuit de Saint-Germain-des-Près" and Swaim was devastated.

"I began to understand how much lifestyle is tied to creativity," he says. "I realized that my work was coming directly from the life I was leading. I was not a very nice person."

A friend reminded him that he was American, that he could not ignore his American cultural influences. He began reflecting, searching out a subject for another film. When he met a Paris police detective at a party, he was intrigued. "The guy looked like anybody else, like my friends," and settled in for what became a six-month stint with the Territorial Brigade of the Paris police force. Then, he says, "I just did my thing, and much of 'La Balance' came 'right off the street and into my notebook. The story is fiction, but the rest is true."

"Peep Show" will be autobiographical, the story of an expatriate American who falls in love with a girl in a peep show in the old Les Halles market district of Paris. So far, the script, which Swaim is writing, is in French, but if his hope of casting a major American star as the lead comes true, he will not translate, he says, and insisted that "La Balance" have subtitles rather than be dubbed for English-speaking audiences.

"An actor who loses his voice loses his soul," he says.

If not language, are there other problems for an American making movies in France? No, he says flatly. "But I wonder when they'll stop saying 'Bob Swaim, the American,'" he admits. "Nobody says 'Costa Gavras, the Greek.'"

Swaim says he was amazed by the response of American audiences to "La Balance," as much moved by the sight of crowds lined up at the opening in New York as by winning the César. ("It was a helluva homecoming.") If his first film established him as a filmmaker in France, his second has succeeded in giving him an international reputation, he says. Nonetheless, he is starting again from scratch.

"The celebrity life has nothing to do with filmmaking," Swaim says. "You have to forget all of that or you'll become paralyzed. You have to tell yourself to make a better film than you've just made."

"I'm a filmmaker, that's all."

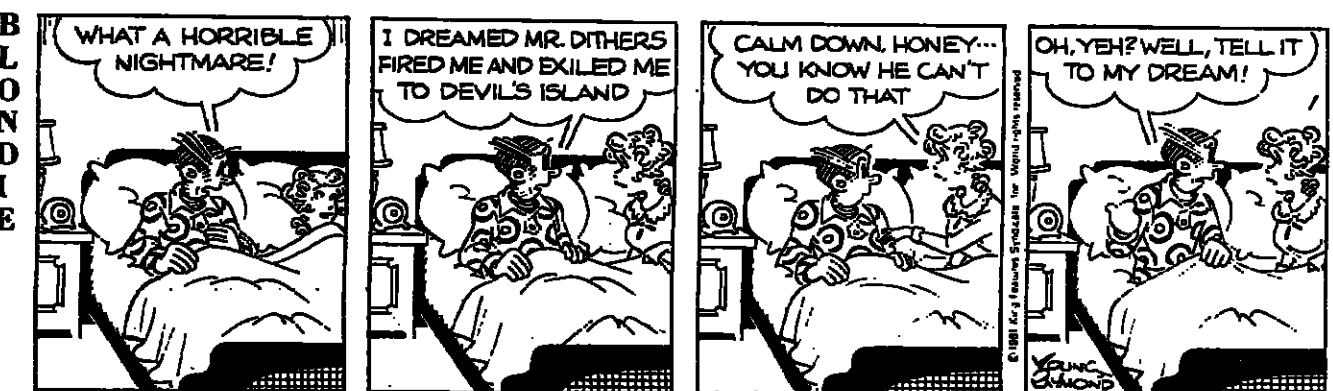
After "Peep Show," which he hopes to start shooting this summer, Swaim plans to make a movie with Hollywood money. While there recently to promote "La Balance," he met with representatives of several studios and is now sorting through their propositions. But moving back to the United States, is out of the question.

"L.A. is a wasteland. I couldn't imagine living in that Hollywood environment," he says. "Coming out of my air-conditioned house, getting into my air-conditioned car to go to a meeting in an air-conditioned office with people who have air-conditioned minds."

"I think the direction in which I should be moving is producing myself — keep my European base and make a deal with a major American studio. The dollar is at its best since World War II. Americans are going abroad and the whole film business is changing, becoming international. I'm in a great position over here."

For now, he divides his time between an apartment in Paris and his 15th-century country home near Tours, where he can isolate himself to write. He plans to pack up his word processor and hide out there to finish "Peep Show."

"I'm the only filmmaker in France who uses a word processor," Swaim jokes. "Everybody else writes with quill pens."



## Overhauling The Statue Of Liberty

WASHINGTON — The nearly two million tourists who annually endure long lines, safety hazards and often-sweltering heat to view the Statue of Liberty will be treated better in the future, according to plans made public this week by the National Park Service.

The statue in New York Harbor is undergoing a \$39-million renovation that will leave the outside virtually unaffected but will make extensive internal changes.

Among the planned renovations are a new glass-enclosed elevator to take tourists to the top of the statue's base, better inside lighting and a complete cleaning of the statue's interior to restore its shiny copper finish.

But tourists intent on viewing the Manhattan skyline from the crown will still face a 151-foot (46-meter) climb up a narrow spiral staircase. Architects considered replacing the staircase with an elevator, but the National Park Service said no.

"People 30 to 40 years after they visit remember the grueling climb and the park service wanted to preserve that," says Richard Seth Hayden, a New York architect working on the project.

The staircase will be improved with a safer handrail. A wire safety cage that blocked the view of the interior will be removed. In addition, rest areas will be enlarged and placed out of the way of other climbers and a small emergency elevator will be installed to aid tourists who become sick during the climb.

Most of the work to improve visitor flow will take place in the 15-story pedestal on which the statue rests on Liberty Island. Architects plan to rip out three floors that block the view inside the pedestal.

In the statue itself, the copper plates, which have been painted, will be scrubbed down to the original finish. The statue will retain its outside color of green, the result of weathering over the years. In addition, ventilation fans will be installed to cool the statue's interior, where the temperature now often climbs above 100 degrees Fahrenheit (38 degrees Centigrade).

The improvements should double visitor flow to 500 people an hour, the architects estimate.

All the improvements are part of the project to correct serious structural defects by 1986, the centennial of the statue's dedication. The

**TORCH:**  
Lantern leaks  
Iron support structure corroded  
Copper covering deteriorated

**SHOULDER:**  
Weak connection to body

**CROWN PLATFORM:**  
Iron framework corroded



French-American Committee for Restoration of the Statue of Liberty is collecting donations to remodel the 305-foot-high structure, originally a gift of France to the United States.

When the committee was formed in 1981, it was noted that, among other problems, the statue's torch leaked, its right arm holding the torch was weak at the shoulder and its crown

From Wire Dispatches

## Stress: It Depends on the Boss

by Daniel Goleman

NEW YORK — Many a boss has been blamed for an ulcer, and many a sympathetic spouse has been praised as a refuge against stress. But new research findings challenge both these stereotypes. A boss can be a crucial defense against stress, while some research suggests that a family's support may make things worse.

The results promise to change the way people perceive the relationship between work, the family and stress. "The standard view," says Aaron Beck, a psychiatrist who is an expert in treating stress, "is that a strong home base is the haven from which we face a heartless world. But even the best-intentioned family can't offer you the tools to handle work stress that your boss can."

The importance of the new research is that it goes beyond the obvious — that a boss has power over how one feels — to analyzing more specifically the consequences of the boss-employee relationship.

The findings have strong implications for management styles, suggesting that it is not so much the personality of the boss — whether he is a warm or a cold person — that matters, as his approach to his subordinates as they struggle to handle their problems.

In the view of one researcher, Suzanne Ouellette Kobasa, a psychology professor at the City University of New York Graduate School, "The most helpful boss is one who asks himself, 'How can I make my subordinates feel as effective as I do?' He shouldn't step in to do things for them, but give them the sense that he trusts them to do it well themselves."

Other stress researchers agree. Kenneth Pelletier, a psychologist, says, "The boss is crucial in how much stress his workers feel, and whether their health will suffer. One key is whether he lets them feel in control of their jobs."

Michael Lombardo, a behavioral scientist at the Center for Creative Leadership in Greensboro, North Carolina, describes these approaches as typical of the boss who is most effective in helping employees cope with stress:

• He gives his workers the tools to solve their problems, but does not do it for them. "It's more helpful to show a hungry man how to use a fishing pole than to give him a fish," Dr. Lombardo says.

• The supportive boss shields his workers from irrelevant problems. For example, a division is about to have a change in top management, a worker does not need to hear about it until it happens.

• If a worker is stuck on a problem, the boss can tell him to put it aside for awhile, or pepper him with questions that will force him to think about it in new ways.

Such simple solutions, of course, may not smooth every troubled relationship between boss and worker. Like all human relationships, they are of necessity complex; two particular personalities, or the specifics of a certain job setting, may spawn their unique problems. Moreover, recognizing the power of the supervisor in no way denies the fact that subordinates may have strengths that allow them to succeed on their own even in the face of a blundering boss.

The standard view is that a strong home base is the haven from which we face a heartless world. But even the best-intentioned family can't offer you the tools to handle work stress that your boss can.

was, of course, not the only important factor. Some people are simply harder than others. The researchers observed that some especially resilient workers have a group of traits in common — including a sense of commitment, a feeling of exercising control over their lives and an enjoyment of challenge.

The most surprising result of the research was that those workers who perceived their families as most supportive had the highest rate of stress-related illness. This was true even for those with such assets as a high salary or an important position.

Most at risk among those workers lacking the trait of hardiness, Kobasa said in an interview, is the worker who feels he does not have his boss on his side and turns instead to his family for support.

Kobasa suspects that the families of the workers she studied are giving them the wrong kind of support to cope with problems at work. When their jobs require discipline and hard work, their families may instead encourage them to wallow in self-pity and bitterness. "If a family simply lets him complain about how hard things are at work," Kobasa said, "he

is likely to retreat from more directly dealing with his troubles at work. He won't walk into his boss's office and ask for help. He'll become increasingly alienated; psychologically, he'll stay home from work."

Kobasa's findings do not stand alone. In a study that found that the boss was more useful than the family in ameliorating stress at work, researchers at the University of Michigan surveyed more than 600 workers in 23 occupational groups. This study, however, did not demonstrate that the family could actually do harm.

In the view of Carey Bunker, a psychologist who is conducting his own in-depth study of 200 managers at an AT&T branch in New York, "It's not that family life doesn't offer a haven against stress, but that it's just not terribly relevant to stress at work."

If a boss with particular skills can be a troubled worker's best resource, it is still true that a boss with the wrong stuff can damage to the worker's mind and his body.

Graphic evidence for the harm a boss can do comes from a study of 357 Defense Department employees, mainly at Air Force bases in the Midwest. The single workplace element that correlated with a higher level of blood serum cholesterol, a major risk factor for heart disease, was having a boss who is too bossy.

According to one of the researchers, William Hendrix, professor of management at Clemson University in South Carolina, "Such a boss is a stickler for the rules, more concerned with details like whether employees are on time than with the larger picture of how productive they are. He goes strictly by the book, not letting employees stretch the rules even if it would mean they were more effective."

When the relationship with the boss has gone all wrong, is there anything at all the family can do? Perhaps. The key is in getting a better understanding of the realities at work.

Kobasa says, "Families should do more than just be sympathetic. Families should encourage a worker, she believes, 'to think through what his goals and priorities are, and how to accomplish them.'"

"It's harder for a family to do," Kobasa says, "but it would be far more helpful." And, in any event, even the most enlightened family is fighting an especially frustrating battle since it is, in the view of some observers of the boss-employee relationship, up against another family. These experts observe that the boss often has, for better or worse, not only taken on authority over the workday world but also carries the power of bosses in earlier relationships, the employee's mother and father.

"All organizations repeat the basic family structure," says Harry Levinson, a psychologist and consultant. "Our earliest experiences with our parents are repeated in our subsequent relationships with authority." In his view, the exceptional executive is essentially a parent who helps people grow by increasing their competence.

But employees who, for one reason or another, are unable to find their way into a relationship with their boss that nurtures their own abilities are, he says, "orphans" whose emotional resilience may well be eroded away.

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## It Was a Dark and Stormy Contest

SAN JOSE, California — Scott Rice, a professor of English who collects elegant sentences, is seeking entries to his third annual Bulwer-Lytton Fiction Contest of bad writing. The deadline is April 15.

"You write something people are supposed to laugh at," Rice says. The contest, sponsored by the English Department of San Jose State University, honors Edward George Bulwer-Lytton, a 19th-century English novelist, playwright and political figure. A writer of comedies of manners and utopian works, he is best remembered for his well-researched historical novel, "The Last Days of Pompeii," published in 1834.

But, according to Rice, Bulwer-Lytton produced some of literature's most insipid prose, such as the opening line to the novel "Paul Clifford," "It was a dark and stormy night."

Snoopy, the comic-strip beagle and would-be writer in "Peanuts," has often used the line as the start of a manuscript.

The contest last year drew more than 10,000 entries from every American state and 36 foreign countries. Some of the entries will be published in paperback by Penguin Books under the title, "It Was a Dark and Stormy Night."

Last year's grand prize, a drawing of Snoopy autographed by his creator, Charles Schulz, was won by a San Francisco technical writer, Gail Cain. Her entry was: "The camel died quite suddenly on the second day, and Seena fretted sulky and, buffing her already impeccable nails for the first time since the journey began — pondered snidely if this would dissolve into a vignette of minor inconveniences like all the other holidays spent with Basil."

The first runner-up, by Barbara Kroll of Kennett Square, Pennsylvania: "The sun oozed over the horizon, shoved aside the darkness, crept along the greensward and, with sickly fingers, pushed through the castle window, revealing the pillaged prison, hand at throat, crown asunder, gaping in frozen horror at the sated, sodden amphibian lying beside her, disbelieving the magnitude of the toad's deception, screaming madly, 'You lied.'"

Named second runner-up was an entry by Kenneth Hall of Sumatra, Indonesia. G.E.E. Simon of Am Meisterstein, West Germany, won in the romance category, Richard Winkler of Brighton, England, won in the spy fiction category and Scott Davis Jones of Sausalito, California, won in the science fiction category.

The science fiction winner was: "The surface of the strange forbidden planet was roughly textured in green, much like cottage cheese gets away after the date on the lid."

This year, there will be two general competitions: one for adults and one for students up to high school age.

Contestants must submit their original sentence typed on a 3-by-5-inch (7.5 centimeter by 13 centimeter) card, with their name, address and telephone number on the reverse side. Entries should be addressed to the Bulwer-Lytton Fiction Contest, Scott Rice, Professor of English, San Jose State University, San Jose, California 95192, U.S.A.

What Rice describes as an "undistinguished panel of judges" from the university's faculty will select the winner.

United Press International



## TRAVEL

## INTERNATIONAL DATEBOOK

## AUSTRIA

VIENNA, Bösendorfer Hall (tel: 65.66.51).  
 RECITAL — Feb. 17: Bernhard Biebrauer violin, Meinhard Prinz piano.  
 CONCERT — Feb. 13: Haydn Trio (Martini, Beethoven, Dvorak).  
 RECITAL — Feb. 14: Leonid Brumberg piano (Mozart, Brahms, Chopin).  
 SCHNAPSHAUS (tel: 34.01.01).  
 THEATRE — To Feb. 18: "Rocky Horror Picture Show" (O'Brien).  
 Theater an der Wien (tel: 57.96.32).  
 MUSICAL — Through April: "Cats."  
 Volkstheater (9 Währinger Strasse 78).  
 OPERA — Feb. 15: "Die Zauberflöte" (Mozart).

## BELGIUM

ANTWERP, Koninklijke Vlaamse Opera (tel: 233.66.85).  
 OPERA — Feb. 11: "Andrea Chénier" (Giordano).  
 BRUSSELS, Opéra National (tel: 218.12.11).  
 OPERA — Feb. 14, 17, 19, 22, 26, 29: "Il Trovatore" (Verdi).  
 Palais des Beaux-Arts (tel: 512.50.45).  
 CONCERT — Feb. 13: London Royal Philharmonic Orchestra, Antal Dorati conductor (Tippett, Beethoven, Tchaikovsky).  
 GHEENT, Koninklijke Opera (tel: 25.24.25).  
 OPERA — Feb. 17-19, 25-26: "Das Land des Lächelns" (Lehar).  
 DENMARK

## COPENHAGEN

Bella Center (tel: 51.88.11).  
 EXHIBITION — Feb. 11-19: International boat show.  
 Odd-Fellow Palace (tel: 11.27.22).  
 CONCERT — Feb. 15: Zealand Symphony Orchestra, Yoni Tsemirnov conductor (Prokofiev, Mussorgsky).  
 Tivoli Hall (tel: 15.10.12).  
 OPERA — Through Feb. 13: "The Barber of Seville" (Rossini).  
 Through Feb. 14: "Der Rosenkavalier" (Strauss).

## ENGLAND

LONDON, Barbican Centre (tel: 628.87.95).  
 Barbican Art Gallery — To April 1: "American Folk Art: Expressions of a New Spirit."  
 Barbican Hall — Feb. 11: "Opera Gala Night" Josephine Barstow soprano.

## WEEKEND

## HOLIDAY &amp; TRAVEL



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## CONCERT — Feb. 13: Geoffrey Oryema

Magnum Galerie (tel: 325.90.09).  
 EXHIBITION — To March 10: "Elisabeth" (Verdi).  
 Musée du Grand Palais (tel: 261.54.10).  
 EXHIBITION — To Feb. 13: "Homage to Raphael" (Verdi).  
 Musée du Louvre (tel: 260.39.26).  
 EXHIBITION — To Feb. 13: "Autour de Raphaël, Dessins et Peintures Musée du Louvre."  
 Musée du Petit Palais (tel: 265.12.73).  
 EXHIBITION — To May 6: "William Bouguereau 1825-1905."  
 Musée Rodin (tel: 705.01.34).  
 EXHIBITIONS — Feb. 15-June 11: "Camille Claudel."  
 "New Museum" (tel: 523.51.41).  
 JAZZ — Feb. 16 and 17: Francis Lockwood Trio.  
 Palais des Congrès (tel: 758.22.22).  
 BALLET — Feb. 14-April 1: 20th-Century Ballet of Maurice Béjart.  
 Palais des Glaces (tel: 607.49.93).  
 THEATRE — To Feb. 19: "I Laugh You" (Edwards).  
 Salle Gaveau (tel: 563.20.30).  
 Ensemble Orchestral de Paris — Feb. 14 and 15: Narciso Yepes guitar, Emmanuel Kivimäki conductor (Grieg, Rodrigo, Mozart).  
 Salle Pleyel (tel: 563.88.73).  
 Orchestre de Paris — Feb. 15 and 16: Giuseppe Sinopoli conductor (Schoenberg, Brahms, Schumann).  
 Théâtre de Paris (tel: 574.10.75).  
 BALLET — Feb. 14-March 11: "Carmen" (Gade/Saura).  
 Théâtre Musical de Paris (tel: 261.19.83).  
 OPERA — Feb. 12 and 14: "Khovanshchina" (Mussorgsky) Wolfram Neijss conductor.  
 Théâtre de l'Union (tel: 770.90.94).  
 THEATRE — Feb. 14-March 14: "The Rocky Horror Show" (O'Brien).

## GERMANY

BERLIN, Deutsche Oper Berlin (tel: 341.44.49).  
 BALLET — Feb. 15: "Coppélia" (Delsa).  
 OPERA — Feb. 14: "Don Giovanni" (Mozart).  
 Feb. 12: "Ariadne auf Naxos" (Strauss).  
 Philharmonie (tel: 26.92.51).  
 Berlin Philharmonic Orchestra — Feb. 11 and 12: Carlo Maria Giulini conductor (Bruckner).  
 Feb. 14 and 15: Carlo Maria Giulini conductor (Schubert, Mahler).  
 FRANKFURT, Alte Oper Frankfurt  
 CONCERTS — Feb. 16 and 17: Frankfurt Radio Symphony Orchestra, Hiroaki Iwaki conductor (Bartok, Prokofiev, Elgar).  
 RECITAL — Feb. 15: Richard Claydon.  
 Café Theater (tel: 63.64.64).  
 MUSICAL — To Feb. 26: "You're a Good Man, Charlie Brown" (Gesner) English-speaking Theater.  
 Oper Frankfurt (tel: 256.25.29).  
 OPERA — Feb. 12: "Cavalleria Rusticana" (Mascagni) Michael Lutz conductor.  
 Feb. 17: "Der Fliegende Holländer" (Wagner).  
 HAMBURG, Staatsoper (tel: 35.15.55).  
 OPERA — Feb. 11 and 15: "Die Zauberflöte" (Mozart).

## FRANCE

PARIS, American Church (tel: 705.07.99).  
 CONCERT — Feb. 11: The Zephyr Ensemble (Glinka, Francaix, Villa-Lobos, Schumann, Carl, Poulenc).  
 Centre Georges Pompidou (tel: 277.12.33).  
 EXHIBITIONS — To Feb. 27: "Hans Bellmer: Photographs."  
 To March 26: "Arnulf Rainer: Death and Sacrifice."  
 To March 26: "Christian Boltanski."  
 Centre Mandapa (tel: 589.01.60).

## HONG KONG

HONG KONG, City Hall (tel: 226.47.44).  
 To Feb. 21: 12th Hong Kong Arts Festival.  
 BALLET — Feb. 11-13: The Washington Ballet.  
 CONCERTS — Feb. 12 and 13: Atrium Musicae de Madrid (Medieval and Renaissance music).  
 Feb. 14-15, 17-19: Pittsburgh Symphony Orchestra, André Previn and Sir Michael Tippett conductors.  
 DANCE — To Feb. 11: Mario Maya: Coney Flamenco Theater.  
 EXHIBITIONS — To Feb. 15: "Interaction in Ceramics: Oriental Porcelain and Delftware."  
 Feb. 15-April 1: "Twentieth Century Chinese Paintings."  
 RECITALS — Feb. 16: André Previn piano.  
 Feb. 17 and 19: Cecile Licad piano.  
 THEATRE — To Feb. 14: Chung Ying Theatre Company.  
 Feb. 14-18: "Mummenschanz" (mime theater).

## ITALY

ROME, Teatro Olimpico (tel: 39.33.04).  
 CONCERT — Feb. 15: "Italian Concert" Arturo Boncompagni violin, Rodolfo Boncompagni cello, Alessio Vlad conductor (Rossini, Puccini, Stamatini, Boccherini).  
 MILAN, Teatro alla Scala (tel: 80.91.26).  
 BALLET — Feb. 11, 15, 16: "Giselle" (Adam).  
 TRIESTE, Teatro Comunale Giuseppe Verdi (tel: 63.19.48).  
 OPERA — Feb. 12, 14, 17, 19, 22, 25: "The Turn of the Screw" (Britten) Ettore Gracis conductor.

## THE FRONT PAGE

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## JAPAN

TOKYO, Bunka Kaikan (tel: 370.64.41).  
 OPERA — Feb. 14-16: "Rigoletto" (Verdi).  
 Budokan (tel: 402.72.81).  
 CONCERT — Feb. 16 and 17: Daryl Hall and John Oates.  
 Kokuriku Gekijo (tel: 212.51.11).  
 DANCE — Feb. 15-17: Japan Dance Association.  
 Kokuriku Stadium (tel: 811.21.11).  
 CIRCUS — To Feb. 19: Bolshoi Circus.  
 Yubin Chokin Hall (tel: 359.50.40).  
 DANCE — Dance Theater Club.

## NETHERLANDS

AMSTERDAM, Concertgebouw (tel: 71.98.71).  
 CONCERTS — Feb. 11: Amsterdam Philharmonic Orchestra, Ken-Ichiro Kobayashi conductor.  
 Feb. 15 and 16: Concertgebouw Orchestra, Bernard Haitink conductor.  
 Rijkstheater (tel: 63.21.21).  
 EXHIBITIONS — To Feb. 26: "Irish Treasures," including bronze, silver and gold objects, and 7th-to-8th-century manuscripts.  
 To March 4: "Bruegel in Print."  
 Stedelijk Museum (tel: 24.23.11).  
 National Ballet — Feb. 13-15: "Giselle" (Adam).  
 ROTTERDAM, De Doelen (tel: 14.29.11).  
 Rotterdam Philharmonic Orchestra — Feb. 12: Yuzuko Horigome violin, Walter Weller conductor (Strauss, Mendelssohn, Brahms).

## NORWAY

OSLO, Konserthuset (tel: 20.93.33).  
 CONCERT — Feb. 16 and 17: Oslo Philharmonic Orchestra, Alexander Dimitriev conductor (Berlioz, Saint Saëns, Kravand).

## PORTUGAL

LISBON, Calouste Gulbenkian Foundation (tel: 734.51.31).  
 BALLET — Feb. 15-18: "Meetings" (Lena) "Percussive" (Villa-Lobos) "El Libro de los Sere Imaginarios" (Par).  
 CONCERT — Feb. 13: Regis of Gulbenkian Orchestra (M. Rollet, Prokofiev, Ravel).  
 EXHIBITION — Through Feb. 26: "Carlos M. de Azevedo: Carlos Marques Figueiredo."  
 Feb. 15: Luis Tavares (tel: 36.53.59).  
 BALLET — Feb. 11 and 12: "Sere" (Tchaikovsky) "Le Sacre du Printemps" (Stravinsky).

## SCOTLAND

EDINBURGH, Gallery of Modern Art (tel: 556.89.21).  
 EXHIBITION — To April 29: "British Art 1900-1939."  
 CONCERTS — Feb. 13: Gabrieli String Quartet.  
 Feb. 15: Scottish Chamber Orchestra, Jerry Maksymuk conductor (Rossini, Dvorak, Britten).  
 Scottish National Orchestra (Elgar).  
 GLASGOW, Theatre Royal (tel: 331.12.34).  
 THEATRE — To Feb. 11: "You Can't Take It With You" (H. Kassarman).  
 Feb. 14-18: "The Rivals" (Sheridan).

## SWITZERLAND

BERN, Radio Studio (tel: 43.92.22).  
 CONCERT — Feb. 13 and 14: Sydney String Quartet.  
 GENEVA, Conservatoire de Musique (tel: 21.76.33).  
 RECITAL — Feb. 12: Jean-Louis Haguenauer piano.  
 Musée de l'Athénée (tel: 29.75.66).  
 EXHIBITION — To Feb. 14: "Kazandjian."  
 MARTIGNY, Fondation Pierre Gianadda (tel: 239.78).  
 EXHIBITIONS — To April 1: "Hirschhorn Showcases: Its Holdings in Modern Italian Art."

## UNITED STATES

NEW YORK, Morgan Library (tel: 683.06.10).  
 EXHIBITION — To April 29: "Renaissance Painting in Manuscripts: Treasures from the British Library."  
 WASHINGTON D.C., Smithsonian Institution (tel: 357.26.27).  
 EXHIBITION — To April 1: "Hirschhorn Showcases: Its Holdings in Modern Italian Art."

## In Liguria, a Bounty of Olives

by Edith Schloss

LA SERRA DI LERICI, Italy — The first sound on a brisk winter morning on Italy's rockbound Ligurian coast is the twittersong of robins, busy flitting in the gray-green glimmer of the olive trees descending the hills to the sea. But there is a second, more penetrating sound: a dry, rhythmic rattle. It is the beating of the olive trees. Everyone is out trying to get the rich bounty of ripe fruit — the olive harvest is on.

In this countryside of steep hills and cliffs hanging over adamantine seas from Genoa almost to the Carrara marble mountains, they go mad in the fall over snail and mushroom gathering. Then, when the smell of mashed and souring grapes and of woodfires has hung over everything for a while, when the days have turned short and chilly, suddenly another age-old mania possesses everyone.

The offspring of peasants and farmers — these men working in the navy yards and whose plants of greater La Spezia or daily commuting to offices in Genoa, these women, doctors, nurses or teachers — their children, parents and grandparents are caught up in it, busy each morning or in the late afternoon after the job and before sundown — all caught up in the great olive harvest.

First you notice the nets spread under the trees, giving the countryside a strange new look, as if it were shrouded by a giant spider web.

Then you discover that these groves, which were so deserted in the summer that if you had a bad fall while wandering along a narrow path, it could take hours before you could be found, are suddenly alive with activity. Small trucks and cars are parked on the steepest dirt roads over abysses and in the corners of unthinkable inclines. Groups of people are clustered everywhere in their oldest clothes and jeans, checking, moving and, above all, bent in two, picking.

All these rough patches between tree trunks, so abandoned and apparently anonymous in other seasons that you could pick wildflowers there and go birdwatching, forever unobserved, are suddenly accounted for.

Each bit of rocky ground sprouts an owner — up there Ida's son and wife, having come up all the way from Lerici, are checking on their nets; down in the next grove, Ovidio and his sons are plucking olives into their pails; on the other side of the path by the blackberry hedge, Meri's daughters and their husbands are crouching. Each bit of earth in these regions has been inherited through generations, each olive grove is owned by a specific family. Everyone owns a bit of land. You have to be very poor indeed to be left without.

The olives beaten from the trees, the olives shaken down by wind and weather, ripe or not so ripe, caught in nets or on the ground, have to be gathered by hand. Between clods of dirt, between pebbles, between the flagstones of paths, into mouseholes and moleholes, the plump fruit will fall and gather. Only busy fingers can extract them and drop them one by one in ready tin cans, pails or baskets. This gleaming is tedious work.

In the stores and cafés where people with good jobs in industry, not really farmers any longer, will meet and interminably discuss olives — the different qualities, the acidity, the sediment of the oils from the different regions of Italy, of which Ligurian oil has traditionally been judged the finest — they will show you their stained and bruised fingertips and complain about their backs and the confounded nuisance of it all.

Asked if harvesting could not be done mechanically, people will reply each time that it has been tried with special machines, but on this rough terrain on descending terraces was found to be quite useless. Then what about hired hands? The answer is that the price — wages plus health insurance, together with the money for the milling — adds up to a sum quite out of proportion with the final worth of the oil.

Then why do they put in so much extra work to gather the olives? "We can't just let our fruit fall to the ground and rot," says Mario Chiesa, a retired riveter from a La Spezia navy yard. "We do it because they are there." There is more to it than that.

In the spring the flowering of the olive tree is hardly noticeable. The young tree is slender and straight and it takes almost a decade before it can bear fruit. As it grows older its trunk becomes gnarled and twisted in those contortions so dear to mediocre artists — no other tree in the Mediterranean is so obviously "picturesque."

It grows in the most ungrateful soil and to flourish needs only an occasional sea breeze to carry its moisture. Vines, vegetables, feed for rabbits and goats can be grown in its shade. Mostly the tree develops by itself in the sun; they say an olive tree takes less care and upkeep than a cow.

You discover the flowering only when it is practically over, when in the spring the trees, with sunny little stars of flowers, shed by the minute new fruit, cover the paths and earth with a dusty green carpet. The fruit hangs hidden in the silvery canopy of lance-shaped leaves all the hot long summer, slowly ripening. And in the nights of the full moon it is joined by the snickering owls, as it should be, both owl and olive the emblem of the goddess Athena.



In a Ligurian olive grove.

After the torrid days, by September, the fruit has grown into fleshy green ovals the size of a fig. Too much rain, worms or mildew may have damaged the olive, but never too much sun. Then, after the wine harvest, after the swallows have left for Egypt, when only the pesky robins and finches are left, and it is turning from green to brown, its time has come.

In a bend of the road toward the cove at Fiascherino, you may come upon a low stone barn, with a stream of people with sacks and buckets lined up before it. This is a *frantoio*, one of the few olive-grinding mills left in the region. Despite its appearance it is a relatively modern one.

It's too newfangled, it's activated by too much hot water, too much machinery, which makes for too much acidity," says Angela Bertella, who is carrying a load of freshly picked olives into her house in La Serra. "I go to Maria Luisa's *frantoio* in Ameglia, on the other side of the mountain, over the Magra valley. Hers is a good old-fashioned mill. That's where I'll get an appointment to have our crop ground next week."

"Because Ameglia faces north, not south like us, it's always dark over there. When it's only 3 in the afternoon you already see the bats zooming around the castle tower there," says Giovanni Chiesa, a vacuum cleaner salesman, in La Serra. "When I used to go hunting with my uncle on the hills and then came down into Ameglia after dark it was so dark and ancient-looking there I always expected a knight in clanking armor to come around the next corner."

Today a donkey or a clanking pick-up truck may come around the corner, loaded with olives for the mill. Not far from the main square, it already lies on the outskirts of the little town. You recognize it at once, not only by the comings and goings of people, the trucks and cars, the sacks and equipment scattered outside the stone barn, but because of the odor. Inside the warm dark place, full of the hum of human bustle and machinery, the odor envelops you at once: dense, ripe, tart — pungent.

Two huge mill wheels churn slowly in counterbalance, the first of the three stages needed to extract the precious oil, the crushing. A man is pouring his olives into a crucible directly under the two granite wheels. Slowly the fruit and its kernels are crushed into a thick greenish-gray mass.

The paste is spread on five disks made of plaited nylon — once they were made of plaited rope — which are separated from one another by metal shields and filed on an upright central rod. The giant sandwich of crushed olive paste is then locked into a machine worked by hydraulic power.

Now begins the second stage, the pressing. As the large upright contraption begins to contract, rivulets of liquid begin to run from between the disks into a funnel in the ground underneath. When all liquid possible has been pressed from flesh and pits, the machine is unlocked, and the remains scraped off and shoveled onto a heap in a corner.

The leftover pulp, dry, grainy and a brownish dusty color, and called *sansa*, was used only for fuel in the old days. Today *sansa* is industrially reprocessed, using chemicals to extract a last residue of oil. Although these chemicals are washed out in the end, *sansa* oil is neither quite safe nor wholesome.

After crushing and pressing, the third stage, separation, is reached. The oil mixed with water that came out of the press has been piped into a centrifuge. A dark stream of water runs away into a trough, while inside the metal drum the mysterious process of purifying the oil, and separating it from its moisture, goes on.

This press is half old-fashioned, half modern. The granite mill wheels, the oldest implements here, are really ancient, but the centri-

fuge and the press are imported from France. No heat is used, since cold pressing is considered to yield the best oil.

"Modern mills are by far the best and fastest," says Claudio Fazzini, an engineer who works for a modest energy firm in Genoa but whose father is a farmer. "The modern mill is progress itself. Why bother with the old sweat we have sweated and dug since time immemorial? You have no idea how it was when the grinding wheels had to be turned by mules, when the press had to be screwed up and down by hard labor all day long, when the oil was finally separated by an expert in lading. It took hours! And in the end the yield was much lower too."

But Mario and Giovanni Chiesa, father and son, do not agree. "In the old days you got to the *frantoio* at six in the morning and you stayed well after midnight. Now you get there with your olives at a certain time and are out with your oil an hour later. It's no fun any more!"

"In the old days we used to be there all day, inside, sheltered from the cold. Everyone came from everywhere, we exchanged news, advice, gossip. We sang. We roasted potatoes and chestnuts in the embers under the separating caldron. We kept cozy together while outside the Tramontana was blowing. Of course it was a lot of work. Everything was a lot of work."

"But the *frantoio* was a gathering hall of cheer. These new mills don't allow for much human contact any more. You're in, you're out, — in a minute everyone is back home watching television."

When at last Enrico Cabano, a draftsman for a shipyard, after having his olives ground through the three stages, puts a bucket under the spigot of the contraption, everyone falls silent.

At first it comes in a hesitant trickle, then in a thin stream, then it gets thicker and thicker. It gurgles and splashes as Cabano takes a ladle and scoops it up, again and again. He lets it run against the light, a fine, shiny, amber substance — this year's oil, his heritage, this year's gold. And all his friends and neighbors waiting their turn nod in approval, sniff it and praise it.

On the other side of the mountain in La Serra, Gina Zanelli, a widow, sets a bottle of new oil on the table. "We use it for everything, all our cooking," she says. "We use nothing else. Because it's so full-bodied it's economical too. It yields more than any other oil."

Her son-in-law, Claudio, says that 100 kilos (220 pounds) of picked olives yield 20 kilos of oil. He explains about store-bought oil, how brand-name oils labeled simply "Olive Oil" are far from pure, that even what are named "Extra-virgin Virgin Oil" and "Special Virgin Oil" are by law allowed additives of lesser oils. He continues talking about the greater acidity of olive oil as you go south, the various reasons the harvest may last into March, even April, and how nutritious it is, that olive oil extracted by mechanical, not chemical means, is one of mankind's most wholesome foods.

"The olive tree is Mediterranean," says Claudio, "wine can be grown anywhere. Our tree is intrinsically Mediterranean. It's alive all year around, it's evergreen, it's a cheerful tree." Gina is pouring oil on a plate. "Just taste this," she invites. Everyone around the table dips pieces of fresh white bread in the little pool. Its taste is like its smell, rich, pungent, deliciously whetting the appetite. No one can stop eating.

"It is the oil from La Serra," Gina says, smiling. "It is the oil from our land." Our land. In this newly industrial country, freshness and purity are still what count most — the wholesomeness of homegrown food from "our land" is the basic patrimony. Our land — it gives a sense of identity, is less material than a spiritual possession, a safety against an uncertain future.

## Hotel Help for Little Old Ladies

by James T. Yenckel

WASHINGTON — The two women were upset. From their hotel room, they had phoned the lobby asking for help with the luggage. Over the line, they heard the desk clerk ordering a bellboy to take care of "the two little old ladies."

When the women complained to the hotel manager about what they considered a demeaning reference, his response was that they had got it all wrong — that the desk clerk had actually called them "two nice little old ladies."

Gail Brewer, a Ramada executive, tells this story about one of the hotel chain's own properties to illustrate why her firm has begun a consciousness-raising effort to teach its staff how to treat elderly guests — "mature travelers," Ramada calls them.

The travel industry began courting its female customers in much the same way a few years ago.

Ramada, like Eastern Airlines — which recently began advertising a year's travel to anyone 65 and over for \$999 — and other segments of the U.S. travel industry, realizes that the elderly offer a potentially lucrative market and has begun to cater to it. The U.S. Travel Data Center reports that senior citizens spend an average of 60 percent more time away from home on a trip than other travelers, and they go longer distances.

"Everyone is really beginning to focus on this market," says Brewer. "A youth-culture misconception of members of the older age group is that they are mostly poor, ill and in a nursing home, says Brewer. The

truth is that many retired people have both the money and the time to travel, lead active lives and are in good health. At the same time, having lived through the Depression, "they are value-conscious."

Even when retirees are on a fixed income, she says, "the pulls" on their resources are fewer than for younger people. "The kids are out of school, and the mortgage is paid."

Among the amenities Ramada says older guests find helpful (and which it expects to provide):

- Large print on restaurant menus.
- Earlier breakfast and dinner sittings.
- Night light in the room.
- A good reading light. This age group, says Brewer,



## TRAVEL

## Rangoon, Dirty and Dignified

by Colin Campbell

RANGOON, Burma — Crowded ferries on the Rangoon River practically vanish behind squalls of rain. The palms go wild. Umbrellas come out — black for the laity and paper-and-bamboo for monks. Everybody runs for cover. It's time for tea or sleep, and after a while the sun appears, turning the pavements into mirrors for swirls of pigeons. This is Rangoon in the wet season, from May to October. Veterans call midwinter better — it is dry now and almost brisk at night. But the Burmese capital has its charms even in the rain, which lets up often enough.

They say the pagodas of Pagan in Upper Burma are even more unearthly than Rangoon's Shwe Dagon. But you have to travel to Rangoon to get up north, and Rangoon isn't quite like going to Chicago. It's a crumbling city — nothing physical has changed much since the 1930s — and it brings out the mock-montane in some visitors. One day in the barrel-vaulted dining room of the old Strand Hotel, a group of young Western tourists gathered around a spotted tablecloth to plot their next move. Tibet? The Amazon? Two men wore Panama hats. You got the feeling they had just seen "Raiders of the Lost Ark."

Across Strand Road lies the Rangoon River, part of the complicated delta of the Irrawaddy. There are ships moored in the current, and swarms of river craft. Cross-river commuters buy snacks on sticks — bits of meat and fried banana — on the bank.

The only legal way to enter Burma these days is by plane, and the sight below of gray-brown delta floodwaters, streaked and dotted with green, makes a spectacular entrance. Foreigners used to arrive by ship, of course, up the river. Until they finally conquered Burma, British troops arrived by ship three times during the 19th century.

The city's treasure was its rice exports, the largest in the world in colonial days. Much of the rice grew on delta lands that Indian immigrants helped clear; but Indian money-lenders and European mill owners and shippers soon controlled the whole business, and countless Burmese farmers lost their land. Their leaders have been suspicious of foreigners ever since, and Burma today is one of the poorest and most independent countries on the face of the earth.

The Shwe Dagon has been there for a thousand years, yet Rangoon itself is a young city, two centuries old and only a century as Burma's capital. Most of its buildings date from the British raj. The National Museum is the former Bank of India; the building across the street is the former Chartered Bank, and hundreds of useless signboards ("Triumph," "The Oriental Life Assurance Company Ltd.") are fading away in the rain. They make newcomers feel like archaeologists. The sputtering old cars have the same effect.

The architecture and general layout could be splendid, and some of the residential streets downtown would be among the best-looking anywhere if saved from rot. The railroad administration building is an Oriental-Victorian masterpiece, and everywhere you see towering

shade trees, clipped hedges of green bamboo, sagging gates that point off through the weeds toward mossy mansions.

The people who like to stroll the streets, have endured their troubles with considerable grace. Paul Theroux, in "The Great Railway Bazaar" (not a book that wastes its compliments), describes Rangoon's Burmese as "looking like a royal breed, strikingly handsome in this collapsing city, a race of dispossessed princes." Many of these princes also speak English. Though conversations with foreigners are constrained by the uncertainties of dictatorship and a certain cultural reserve, they're curious about the outside world and enjoy explaining their tastes and symbols.

Walk out of the Strand, turn right along Strand Road, turn right again up Pansodan Street and you'll see bureaucrats and street vendors and medicine men with charts of all your disorders: there are snake charmers, storefront lawyers, scribes with ancient typewriters, monks, legless soldiers, women with their shopping bags — all perfectly urbane. The legless soldiers are victims of mountain insurgents. Burma is as violent at the margins as it is law-abiding in Rangoon.

It's a city of small markets and large pagodas, a Chinatown, an Indian quarter, a few gigantic markets (such as Scott's) and not much in the way of luxuries. There are diamonds (mostly "Burmese diamonds," a dazzling spinoff of zirconium) and real rubies. At the little gold shops west of the Sule Pagoda you may see a woman dressed like everybody else (shirt, longyi — wrapped sarong — sandals) buy half a pound of gold and pay for it with a stack of cash. There's an enormous "alternative economy" in Rangoon, and smuggling and its allied enterprises have made some of Burma's socialist rich.

Life not in order" is one of the first signs you meet at the Strand. The air-conditioner in room 212 must not have rated its own warning, but, after some hammering with a shoe, the windows to the balcony opened up over the river and a breeze came in; alas, the mosquitoes heard the commotion. They can be very bad. The hotel has spirit, though, and for the equivalent of \$35 you can get a gigantic room.

The same Armenian family (the Sarkies brothers) who built the Raffles in Singapore and the E & O in Penang, built the Strand as well. The polished wooden staircase, the banisters like rails on yachts, Doric columns in the bar — they show what the place looked like before the flowered carpets went to seed and the walls were painted such blues and yellows that they make you wonder if you have malaria yet.

At one of Rangoon's last parties under the old order — on Dec. 6, 1941, the Saturday of the Governor's Cup — "a dance and cabaret at the Strand Hotel packed the floor of the large ballroom," wrote E.C.V. Foucar. "A practice blackout in the city required every window to be tightly shut, and the resultant fog was horrible, but nobody minded it." At one point that night, before the news of Pearl Harbor reached Burma, a singer tossed up her skirt to reveal a Union Jack on the seat of her pants. "How we cheered!"

There's no such bawdiness in Rangoon now

— it's all illegal — but the Strand does put on wedding parties and semi-official banquets for the new upper classes, including many army officers. You can sit in the lobby and watch them enter. To get into the bar of the government-owned hotel, a Burmese male needs to carry a traditional Burmese jacket, which he can rent outside the door.

It's a funny, quiet, proper city, full of dirt and dignity, and in the middle of all this — gleaming between gray buildings, leaping over the tallest trees — stands the Shwe Dagon Pagoda, a golden spire on a golden bell. Its perfection haunts Rangoon's decrepitude. The pagoda rises on a hill north of the heart of town, and to reach its roots you climb one of several covered stairways, all of them gloomy but all lined with shops selling gold leaf, pious books and local souvenirs.

You emerge from one of these stairways onto a 14-acre (5.6-hectare) marble terrace. What seem like hundreds of lesser pagodas and pavilions surround the platform, and other spires crowd up against the monument at the center. Leogryphs, elephants, demigods, ogres and Buddhas stand around in glittering profusion. The sense of space and opulence, like the flying pigeons and the golden lions, remind you of Canaletto's Venice. Except that the monks are dressed in earth-red robes, the women's cheeks are powdered as if with white, and all around is a crush, and everything else is strangely different.

The most expensive hotel in Rangoon is the Inya Lake, which was built by the Russians. The most interesting night at the Inya Lake was the time a neighbor, none other than Burma's leader, General Ne Win, came storming in and told a noisy band to shut up. Rangoon's night life has been quiet since. The hotel is decent, dull and too far from town, and there are occasional reports of rats. Rates for a double room start at \$25.

Other hotels include the British-era Strand (335), which is noble, friendly and frayed; the Kandayvi (\$16.50), a converted pier on the Royal Lake that used to be the British Boat Club, and the President (\$11), a sort of downtown motel.

The guidesbooks say that the Bamboo House, at 3 Thagye Nyo Street, serves real Burmese food instead of the Chinese or Indian you get almost everywhere else. But the menu is Chinese and the waiters are Indian. Get there before dark (Rangoon's restaurants close at 9 or 10 P.M.) and you can sit with Mandalay beer and contemplate the small jungle outside unglazed windows. The food is expensive — \$15 a person if you eat too much — but the best I ate in Rangoon. Try the fish-head soup.

There are surprisingly few antiques for sale in Rangoon, and much of Burma's best is smuggled to Bangkok, where prices are high. But I recommend Madame Thair's at 22 Edward Street. Her goods aren't very old but she has pretty Shan and Burmese lacquerware and a lot of copperwork and carved teak.

Madame Thair herself is likely to sit around the back room until you do something to engage her interest; my play was to pull a lacquer bowl from a shelf and find it raining cockroaches. Bargaining requires tea, of course, and she is tough.

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## Enjoying a Flutter in London

by Walter Goodman

LONDON — At 10:05 P.M. on a Monday, 20 minutes after checking in at our hotel to begin a week's stay in London, my wife and I presented ourselves at the closest casino. Our haste was prompted by the requirement that 48 hours must elapse between one's signing up and one's "gaming." Had we waited until the following morning to register, we could not have begun throwing away our pounds until Thursday.

So by 10:08 P.M., for a fee of £15 (about \$21), I was a conditional member of the Village Club in Chelsea, and entitled as well to admission into two affiliated clubs 48 hours after appearing on their premises. I could bring four guests.

The 48-hour rule, designed to deter the "impulse gambler," is one of several rules that make Britain's 120 casinos the most tightly regulated in the world. The clubs open at 2 P.M. and close at 4 A.M., except on Sunday mornings, when they close at 2 A.M., presumably to permit punters to get to the church on time.

No local advertising or other "enticement to game" is permitted. A few years ago the now defunct Playhouse Club got into trouble with the Gaming Board, Britain's regulatory body, by encouraging hall porters at the classier hotels to steer high rollers its way. The most that a club can legitimately do is put in lights at its entrance the games available within, and many establishments do not stoop to that. The Clermont Club on Berkeley Square is identified only by a plaque discreet enough to serve a Harley Street surgeon.

Your check will not be cashed by a casino unless you have made arrangements in advance, and no credit of any sort can be given — even, as a club manager put it, "to the son of a sheikh who wants to play on Monday but will not be getting his monthly draft from poppa till Friday." Evasion of the no-credit rule is what brought down the £16 million-a-year Ladbrooke chain. No alcoholic beverages may be served at the tables, but soft drinks and sandwiches are yours for the asking. Tipping of croupiers and dealers is prohibited, to forestall collusion.

Missing from London's 19 casinos is the clatter-jangle-shriek of the slot machines and their devotees. Only two slots are permitted to a club, and the fanciest clubs choose to do without. "The noise might disturb our clientele," explained a spokesman for the Clermont.

Alas, the most inviting of London's West End casinos issue no invitation to the visitor unless he comes with a reputation as a high roller. Most of the members of the "upmarket" clubs like Crockfords, which claims to be the oldest casino in London, the Clermont and the Ritz are from the Middle East, the sort of people who are not put off by a quiet blackjack game in the *salle privée*, where the minimum bet is £100. Thus are petrolodollars recycled.

In these clubs, the least you can wager is £10 at blackjack and £5 at roulette, and the proprietors are not much interested in players who are content with that level of action. "We are not looking for new members," said the manager of the Ritz, which has about 6,000 members on its rolls, few of them English or American. The Clermont's membership fee of £250 is designed entirely to scare away the passing tourist. For valued clients the fee is waived along with charges for dinners at the sumptuous restaurant, Havana cigars, boxes at Ascot and limousine service. Everything, that is, but the gambling.

When I dropped by to make membership inquiries at the Rendezvous Club in the Hilton, the man at the desk gave me a practiced up-and-down glance, doubtless noting that my suit did not originate in Savile Row while the bag of socks I was carrying came from Marks & Spencers, and suggested that I would feel more at home at the Sportsman Club on unfashionable Tottenham Court Road, where the membership fee is £3 and the basic bet is £2. "Most of our members here are Arabs," the man explained.

The most popular game in London is roulette, followed by blackjack and, for the heavier better, punto banco, a version of baccarat, a game with all the intellectual challenge of Go Fish. Craps tables can be found in only two casinos — the Sportsman and the Victoria Sporting Club on Edgware Road, the city's largest establishment.

In part it is the absence of craps, which cannot be properly enjoyed without full-throated cries of prayer and thanksgiving, along with the blessed absence of slot machines that keep the upmarket casinos so quiet. In addition, the very surroundings discourage untoward sounds.

The gilded rooms of the Ritz, the Georgian appointments of Crockfords, the extravagant architecture of Clermont House, built in 1742 by George II for a mistress — these induce a stately-homes-of-Britain hush, not to say torpor. ("How high would you care to go, madam?" our escort asked my wife as we ascended the Clermont's lordly staircase. "About £50," replied Elaine.) Moreover, there are not large establishments; the Clermont has only six tables and accommodates no more than 100 players on a good day. "I've visited the Ritz in the afternoon," a member told me. "There were eight tables and one player."

Despite the reputations of the upmarket clubs for serving big-money players, on my visits only the moderate-stake tables were oc-

cupied. Several players, it is true, were betting £100 or more a shot and were on their way to losing the annual salary of a London bus driver, but I spotted no thousand-pound chips in play, and there was no sign at the Clermont of the famous £500,000 plaque available to the member who does not like to carry small change. A midnight call at the *salle privée* of the Ritz, where the minimum blackjack bet is £100 (maximum, £2,000), found it empty except for the young dealers. (One thing the high-class, low-class and middle-class clubs have in common are those attractive young women in close-fitting dresses.) We were visiting in the fall and it was explained to me that fall is off-season for the richest gamblers; business is heaviest in the summer, when no one who is anyone in the oil states stays home.

The games as played in London differ from those in Las Vegas and Atlantic City in ways that are generally beneficial to the player. Most notably, London's roulette wheels have a single zero instead of the two zeros on American wheels. (Since players who bet on red or black or on odd or even do not collect when the little ball stops on a zero, the elimination of one zero cuts the house percentage. Moreover, in Brit-

ain such bettors lose only half their wager when the zero shows up.) The inexperienced blackjack player is helped by rules that prevent him from "splitting" certain pairs, such as picture cards, fours and fives. (In the United States, a player may make two hands of one whenever he is dealt any pair, by separating the cards and placing an additional bet. But since two fives, for example, add up to a promising 10, while a five on its own is a heart-sinking card to start with, it is injudicious, not to say suicidal, to split fives — and in Britain it is prohibited.)

The odds at craps are slightly better than in America's casinos. Otherwise, the game is the same, although it is hard to imagine the description of it by the British Casino Association coming from the mouth of a Vegas heavy: "The shooter shall without unreasonable delay throw the two selected dice so that they leave his hand simultaneously, with a view to striking the end of the table farthest from him."

Downmarket, things tend to be livelier than at the more-exclusive clubs. The 14 roulette tables and 10 blackjack tables of the definitely nonexclusive Golden Nugget, near Piccadilly Circus are jammed every night with waiters from nearby Chinatown. There is no charge for overseas visitors (it costs £1.15 for British residents), but you may not find the neighborhood comfortable after dark. No seats were available at the £2 blackjack tables during my look-in, and since in London any spectator is permitted to place a bet alongside that of a seated player, the crush around the tables aroused thoughts of New Year's Eve in Hong Kong.

Between Crockfords and the Golden Nugget, socially and economically, lie a dozen clubs that visitors are likely to find more congenial and more welcoming. My own Chelsea Village Casino, "a noddly little club," as one Londoner put it, has four tables and the spirit of a very low-key neighborhood pub. There I was able to play blackjack for £1 a hand and roulette for £1 a spin (59 pence in the afternoon). A touch above the Golden Nugget is the Victoria Sporting Club, where I enjoyed the privileges of membership since it is owned by the same firm as the Village. At the Vic, you can play craps and roulette for £1 a shot. It is as close as you can come in London to the communion of an American casino.

Up a bit higher on the gaming scale is the Palm Beach Casino, a short walk from the Ritz. It has 19 tables, including a couple of blackjack tables with a £5 minimum. It even has slots, and you can join for £3.50 as an overseas resident, £7.50 if you are resident in Britain.

Although I had not registered at the Palm Beach, I was able to play there, as a guest of a member — the easiest, cheapest and quickest way to gain entrée to a club. My host was A. Alvarez, British literary light and poker enthusiast, whose last book, "The Biggest Game in Town," was a report on tournament poker in Las Vegas. Although Al doesn't care for casino games, he found a seat at the blackjack table and, relying on my over-the-shoulder counsel, managed to break even. I then took his place to show him how the game should be played and quickly lost £20.

Having made that contribution to research, Al and I drove to north London, where, he assured me, a poker game would be in progress. Indeed it was, at one of London's two licensed card clubs, the Lyndhurst in St. John's Wood. There was no mistaking it for the Ritz. The center of activity was the unadorned basement of a beat-up house on a nondescript street. There was room for three poker games and two games of kalooki, a variation of rummy favored by north London matrons.

I was signed in without fuss and joined in a game of seven-card stud. Once an hour, our avuncular host, who kept offering me tea and "a bite to eat," collected a "session fee" of £4 from each of us, but otherwise left us to our separate fates. Here at last was a gambling establishment that wanted me, had a seat for me and offered my favorite game. I felt truly at home at last — which is to say, both Al and I won.

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In some clubs, the least you can wager is £10 at blackjack and £5 at roulette, and the proprietors are not much interested in players who are content with that level of action. 'We are not looking for new members,' said the manager of the Ritz. The Clermont's membership fee of £250 is designed to scare away the passing tourist.



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## Iraq's High-Tech, 13th-Century Look

by Mohammed Salam

BAGHDAD — By year's end, a nine-block area of Baghdad will be taken up with office buildings, apartments and a department store—all with the latest technology but with the flavor of Baghdad 1,000 years ago.

The project is the first phase of an ambitious plan to redevelop the Khulafa Street area of Iraq's capital in a way that will evoke life during the Abbasid dynasty, which ruled from 750 to 1258. The capital was begun in 762 under Abu Ja'far al-Mansour, the caliph, or supreme ruler.

Khulafa Street, on the southwestern bank of the Tigris River, was named after a stone minaret that belonged to the caliph's palace mosque about 1,000 years ago. The 100-foot-high (30-meter) minaret still stands beside a dome and several prayer yards built later.

The 30-square-mile project (77-square-kilometer) was designed by the architectural firm of TAC of Boston and the first nine blocks are being built under a \$135-million contract with Energoprojekt of Yugoslavia.

A yellow and white city hall was finished in 1982 and the first 12-story office compound in the 9-block phase was completed last November. The city hall and the office block are built in the architectural style of the Abbasid era with arcades and arched windows that are in marked contrast to surrounding Western designs.

Energoprojekt's work covers about a sixth of the Khulafa Street development plan adopted by the Baghdad municipality. The five remaining phases are yet to be contracted for. Despite its expenses in the more-than-three-year-long war with Iran, Iraq is "determined to proceed with the multibillion dollar project," said an Information Ministry official.

Khulafa Street, when its development plan is completed, will house a variety of traditional bazaars. Space will be set aside for the making of copperware in the traditional way and for the hand-weaving of Iraqi carpets.

Energoprojekt's construction contract, in addition to the city hall, comprises three office buildings of 12 floors each, five 12-story apartment buildings and a five-story department store.

The Associated Press











# "Lonrho's attributable profit is up 103% in 1983"

AN UPWARD TREND WILL CONTINUE IN 1984

R W Rowland, Chief Executive

## Dear Shareholders,

The overall results of Lonrho show a healthy rise of 103% in both profit attributable to shareholders and earnings per share; this is the highest increase for seventeen years.

Lonrho has achieved an enormous amount this year which is reflected, not only in a substantial increase in profitability, but also in the Group balance sheet which remains strong with gross assets approaching £1.9 billion, including cash balances at the year end standing at £109 million. Total net borrowings, excluding those relating to our confirming businesses, have remained at 30% of gross assets which is the same as last year.

A great deal of management effort has gone into increasing efficiency throughout the Group; these efforts have included the disposal of loss making and low yielding operations such as Hadfields, the Sir Francis Drake Hotel, and the Sunday Standard Newspaper in Glasgow.

I am glad to tell you that our United Kingdom based companies raised profits by over 78% in 1983, and were a major contributor to the overall rise. This improvement has been shared by nearly all trading activities within the United Kingdom and is not limited to a few. Every indication is that our United Kingdom companies will continue to increase in prosperity.

Our traditional activities of agriculture and mining have performed very well this year, which is not only attributable to improved commodity prices, but is also as a result of reduced operating costs and, in most areas, increased production.

The hotel and casino divisions are showing good growth within Lonrho, and these divisions have been expanded through the opening of the new Marquessa Tower at the Acapulco Princess in Mexico and the opening of two new casinos, one in London and the Princess Casino in the Bahamas.

Capital expenditure this year has been restricted to the minimum necessary to maintain our assets at their highest operating efficiency, and we have not undertaken any large long term projects.

We also benefit from a substantial increase in House of Fraser's profits and share price. Lonrho's near 30% holding in House of Fraser and the contribution and stimulus provided to the management of the company by our Directors has undoubtedly assisted in this improvement. The House of Fraser share price continues to reflect the general belief, by shareholders, that the demerger of Harrods is desirable.

The 180 mile pipeline between Beira and Mutare is fully restored and has been pumping fuel to Zimbabwe steadily throughout the year without interruption.

The Lonrho Group, including our associated companies, now employs over 150,000 people.

I know you will want to join all Members of the Board in expressing your appreciation for all the hard work and initiative contributed by those who work for Lonrho both in the United Kingdom and overseas and who have made this year so successful with their support. We have adequate reasons in the first quarter's figures to feel that 1984 will continue an upward trend for the Company as a whole.

## MINING AND REFINING

Improved precious metal prices prevailed over the year, which also saw platinum carry a premium over gold. Moreover, we again raised our platinum group metal output to 180,000 ounces for the year and are now producing some 50% more than two years ago. Group gold production was well maintained at the 400,000 ounce per year level.

Although precious metal prices continue to fluctuate, favourable exchange rates in all countries where we operate mines have so far cushioned any adverse effect.

Additional refining facilities are being planned for our platinum operations designed to release the large sums which are now locked up for long periods in unrefined inventories. At the same time these changes will save operating costs and improve metal recoveries.

Good progress has been made with the development of Eastern Gold Holdings, the major new Anglo American Corporation administered mine, which is planned to produce 400,000 ounces of gold annually at full production. Our subsidiary continues to hold its 36% interest in this venture. We are also planning the expansion of operations at the Ashanti Gold Mine in Ghana using loans from a consortium led by the International Finance Corporation.

Revenue from bituminous coal and anthracite mining was only slightly down in spite of a sharp reduction of sales, in line with the present weakness of coal markets. Capital expenditure at the coal mines was substantially below the level of recent years.

## AGRICULTURE

Lonrho and its subsidiaries are Africa's largest commercial food producers, ranching 100,000 head of cattle and farming 1.5 million acres throughout the continent. The Group has also put more land under cultivation in Africa than any other company in the world.



Aerial spraying, Malawi

Our seven sugar estates in Malawi, Mauritius, South Africa and Swaziland returned to overall profitability during the year and increased production to over 420,000 tonnes.

In Zambia, our farming company, Kalangwa Estates, remains one of the largest producers of agricultural goods in the country, with products such as pork, beef, eggs, onions, wheat, maize and potatoes. During the year dairy farming was also introduced, which has proved to be immensely successful.

The drought in Zimbabwe had little effect on the profitability of our agricultural activities. With livestock being in good condition and high average weights being achieved, profits from the sale of 14,500 head of cattle were good. Profit from The Watle Company, which produces coffee, wattle extract and timber, were also substantially higher, due to better management controls and good coffee prices. We are the largest coffee producers in Zimbabwe.

In Malawi our tea estates produced a record crop of 4.8 million kilograms. A combination of good rainfall distribution, improved field practices and management skills produced some yields which are probably the highest in Malawi. The combination of high tea prices and production has resulted in profits being substantially up. We also grow tobacco, coffee and macadamia nuts in that country.

Our wattle extract company in Kenya, which also grows mushrooms, oil seed, wheat and maize and ranches cattle, maintained its reputation for high yields and good quality produce and continues to be a major exporter.

## HOTELS

The Princess Hotel Group in their first full year as wholly owned subsidiaries continued to achieve record profits. In October 1982 the new 320 room Marquessa Tower at the Acapulco Princess was opened, complementing the existing hotel which is a masterpiece of creative architecture. This luxury hotel complex, which is set in over 200 acres, has proved an extremely popular tourist and conference centre, maintaining high levels of occupancy.

In September it was announced that the Group had acquired a casino in Freeport in the Bahamas. It is intended to renovate completely the casino complex, which will form part of the existing Princess hotel facilities, in order to establish it as one of the finest casinos in the Caribbean.

The Princess Hotel Group now have more hotel rooms in the locations at which they operate than any of their competitors.



Acapulco Princess Hotel, Mexico

In the United Kingdom the Metropole Hotel Group held a record 1,050 conferences and exhibitions in 1983. The new Pembroke in Blackpool, in its first full year of operation, has proved a success with 150 conferences and exhibitions being held there. The Pembroke has also achieved a room occupancy level of 70% and is fully booked over the next two years for periods when party political conferences are held in Blackpool.

In Birmingham 575 conferences were staged and the signs are that we will accommodate many more.

The London Metropole was busy during the year with its room occupancy reaching 88%.

## Improvements to the hotel's facilities

this year will yield results in 1984. In the Casino division the most exciting event of the year was the opening of a new casino in London. This luxurious casino has made a very good start. Lonrho operate 8 other casinos in the United Kingdom.

## WINES AND SPIRITS

Whyte & Mackay Distillers had another satisfactory year. Although the United Kingdom industry as a whole continued to operate in highly competitive conditions, Whyte & Mackay maintained its dominant position in Scotland and increased its distribution throughout England.

Although export markets were generally difficult, good progress was made in a number of overseas markets.

Manufacture of knitted fabrics for use in both industrial and leisurewear products. Besco Baron successfully completed a modernisation programme at its mill in Rochdale.

Our textile companies in Africa had a mixed year. In Malawi, David Whitehead achieved good results while completing ahead of schedule the installation of Malawi's only cotton/polyester cloth manufacturing plant.

The newly equipped Blantyre Netting Company exceeded all our expectations and is working at full production to meet local and export demand for polyester bags, nets and twine. David Whitehead in Zimbabwe had a difficult year with demand severely restricted. Following reorganisation the company is now better placed to react to changes in local demand.

The Group also publishes newspapers in Kenya including The Standard and Sunday Standard.

The recession in the United Kingdom continued to affect most of our engineering companies during the first half of 1983. However, there are signs that the modest recovery in the economy which began in the summer will continue.

Hadfields was acquired by a consortium headed by the British Steel Corporation as part of the first stage of the Engineering Steels Industry Rationalisation plan, code named Phoenix II.

Newell Dunford, the process plant engineers, is the leader in the field of waste disposal technology, manufacturing plants which convert household waste into low cost fuels, thereby reducing energy costs and resolving the environmental problems associated with the traditional methods of waste disposal.

Lightfoot Refrigeration has enjoyed another successful year and has completed a number of large overseas contracts.

Our furniture companies maintained progress in a difficult market and Sheer Pride, the metal office furniture manufacturer, successfully launched a new range of filing cabinets which are fast becoming market leaders.

Our land renewal company, Sportworks, won the Grand Award of the British Association of Landscape Industries for the best executed contribution to environmental improvements for their work on the Calton Church Precinct in Glasgow. They also gained the principal award for the first major park to have been created in Glasgow since the Second World War.

Overseas, our Belgian subsidiary S.E.E., which is producing water treatment plants for Nigeria, Cameroon and North Africa, is progressing satisfactorily and prospects for further major orders are good.

In Zimbabwe, Dahmers maintained their dominance in the local truck and bus market, with sales of 424 units. Progress is being made in obtaining export markets for their vehicles, which are designed locally and are excellent for use throughout Africa.

In addition, Vitutex Paints, our paint manufacturing company in Zambia, had a record year.

V.A.G. (United Kingdom) the sole U.K. importer for Audi and Volkswagen products has improved its unit sales performance every year since its acquisition in 1975 and has once again achieved record sales and profits.

Total vehicle sales of 110,000 units ensured that V.A.G. has maintained its position as the leading importer of European cars. The 1983 Car of the Year Audi 100 has quickly established itself in the market and has now been joined by a sporty estate version, the Avant. During 1984 the company will launch a most significant new model which will be a replacement for the best selling Volkswagen Golf.

The Group is also the sole importer of Volkswagen and M.A.N. trucks and buses into the United Kingdom.

The Dutton-Forsyth Motor Group, whose principal activity is the distribution of BL vehicles,

substantially improved its performance in 1983. Rationalisation of their depot network continued and, allowing for closures, they maintained just under 6% of sales of BL's products, with sales of over 31,000 vehicles. The Dutton-Forsyth Group also increased its share of the national Jaguar sales in the U.K. by 24% compared with the national increase of 10%.

Throughout the year Jack Barclay retained their position as the number one distributor of Rolls Royce Cars, accounting for 22% of United Kingdom sales. The extensive service facilities at Battersea performed well under their new senior management.

The sale of agricultural machinery increased considerably during the year particularly Deutz tractors, and Fahr combining harvesters. Distribution and service facilities were expanded.

Western Machinery had an outstanding year. The sale of Taarup and Welgar agricultural equipment was again highly satisfactory.

In Africa our motor vehicles and agricultural machinery distributors performed well. We are Africa's largest and most widespread motor distributor, holding nearly every major franchise including Mercedes Benz, Land Rover, Toyota, Peugeot and General Motors in one country or another. In Nigeria we have successfully established a vehicle leasing operation and a number of substantial contracts have been concluded with large fleet users.

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Harrods

Château Rausan-Ségla, Bordeaux

The 'all new' Golf from Volkswagen

The Prime Minister at the Bicentenary of The Glasgow Herald, Glasgow

Wine tasting at Château Smith-Haut-Lafitte, Bordeaux

Glass lined reactor vessel, Western Platinum, Brakpan

Shamva goldmine, Zimbabwe

## new product development and new areas of specialisation.

Harrison were proud to print, for the British Post Office, stamps which won two top international philatelic awards.

The educational publishing and bookselling divisions of Holmes McDougall gained important new export contracts and the reorganisation of its colour poster operations in the United States has been highly successful.

High quality label printing for the wine and spirits industry performed well and a number of major new contracts were obtained.

Holmes McDougall were awarded the publishing contract for "Crime, Law and Society" by the Home Office.

The Group also publishes newspapers in Kenya including The Standard and Sunday Standard.

## ENGINEERING

The recession in the United Kingdom continued to affect most of our engineering companies during the first half of 1983. However, there are signs that the modest recovery in the economy which began in the summer will continue.

Hadfields was acquired by a consortium headed by the British Steel Corporation as part of the first stage of the Engineering Steels Industry Rationalisation plan, code named Phoenix II.

Newell Dunford, the process plant engineers, is the leader in the field of waste disposal technology, manufacturing plants which convert household waste into low cost fuels, thereby reducing energy costs and resolving the environmental problems associated with the traditional methods of waste disposal.

Lightfoot Refrigeration has enjoyed another successful year and has completed a number of large overseas contracts.

Our furniture companies maintained progress in a difficult market and Sheer Pride, the metal office furniture manufacturer, successfully launched a new range of filing cabinets which are fast becoming market leaders.

Our land renewal company, Sportworks, won the Grand Award of the British Association of Landscape Industries for the best executed contribution to environmental improvements for their work on the Calton Church Precinct in Glasgow. They also gained the principal award for the first major park to have been created in Glasgow since the Second World War.

Overseas, our Belgian subsidiary S.E.E., which is producing water treatment plants for Nigeria, Cameroon and North Africa, is progressing satisfactorily and prospects for further major orders are good.

In Zimbabwe, Dahmers maintained their dominance in the local truck and bus market, with sales of 424 units. Progress is being made in obtaining export markets for their vehicles, which are designed locally and are excellent for use throughout Africa.

In addition, Vitutex Paints, our paint manufacturing company in Zambia, had a record year.

V.A.G. (United Kingdom) the sole U.K. importer for Audi and Volkswagen products has improved its unit sales performance every year since its acquisition in 1975 and has once again achieved record sales and profits.

Total vehicle sales of 110,000 units ensured that V.A.G. has maintained its position as the leading importer of European cars. The 1983 Car of the Year Audi 100 has quickly established itself in the market and has now been joined by a sporty estate version, the Avant. During 1984 the company will launch a most significant new model which will be a replacement for the best selling Volkswagen Golf.

The Group is also the sole importer of Volkswagen and M.A.N. trucks and buses into the United Kingdom.

The Dutton-Forsyth Motor Group, whose principal activity is the distribution of BL vehicles,

substantially improved its performance in 1983. Rationalisation of their depot network continued and, allowing for closures, they maintained just under 6% of sales of BL's products, with sales of over 31,000 vehicles. The Dutton-Forsyth Group also increased its share of the national Jaguar sales in the U.K. by 24% compared with the national increase of 10%.

Throughout the year Jack Barclay retained their position as the number one distributor of Rolls Royce Cars, accounting for 22% of United Kingdom sales. The extensive service facilities at Battersea performed well under their new senior management.

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Rolls Royce from Jack Barclay

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TECHNO

By JEFFREY

Management. Auditing

Attack Against C

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FRIDAY, FEBRUARY 10, 1984

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## TECHNOLOGY

By JEFFREY D. GREEN

### Management, Auditors Must Press The Attack Against Computer Fraud

The author is a partner in the accounting firm of Mitchell-Thus & Co. and a director of the Accountants Computer Users Technical Exchange.

NEW YORK — Most employers are happy to see workers who arrive early, work long hours — for which they are not fully compensated — and most never want to take a vacation.

Why should managers of a corporation's data-processing personnel feel differently?

Because these normally desirable attributes are prominent among the recognizable tip-offs for a growing group of employees who become involved in computer crime.

Computers have opened vast opportunities for fraud by almost anyone who has access to the appropriate keyboards and knows how to make the systems work. They make ideal accomplices in fraud and embezzlement since they are quiet, unobtrusive and can be programmed to destroy evidence and leave no paper trail.

Some startling statistics formulated in recent years provide a sort of profile of the "average" computer felon:

• Almost 80 percent of all computer frauds are committed by persons with annual salaries of less than \$25,000.

• More than 60 percent of this group are persons who use a computer as part of their jobs and take advantage of this access to commit computer crimes, usually against their employers.

• Data-processing personnel have been responsible for about 30 percent of the computer crimes reported to date.

Many business people do not realize that the smaller the computer installation, the weaker the internal controls over that system usually are. In a small system there is generally no control over access to the machine nor is there a separation of functions between people responsible for the various applications being run.

#### Protection Is Expensive

It is estimated that fewer than 50 percent of companies have adequate internal controls built into their systems; 25 percent believe they have adequate internal controls but do not, and the rest have no internal controls. Why are so many companies leaving themselves vulnerable? A major reason is the high cost of adequate protection. These companies find out too late that safeguards were cost-justified.

The two key elements in selecting a proper system are documentation controls and access controls. The basic requirement is to set up a system that separates functions so that different people are responsible for different aspects of the operation. This cuts down on the possibility of unauthorized access to the hardware and software.

With proper monitoring of controls, the possibility of computer fraud decreases, as long as there is no collusion between employees. If there is an accomplice, with each person covering the tracks of the other, it is difficult without a complete audit and check of the system to detect a fraud.

Senior management, of course, is ultimately responsible for everything that occurs in a company. But immediate responsibility for insuring that controls are built into the system falls on middle management, and programmers bear personal responsibility for their programs.

#### Auditors Given Responsibility

Unfortunately, many managers have become intimidated by the mystique and complexity of the computer when it comes to designing proper safeguards. They turn the problem over to the traditional guardian of security and control — the auditor.

In the current environment many auditors are now only beginning to understand the need to review the controls over the electronic data-processing portions of their clients' systems, as well as the manual portions.

Internal controls within a data-processing system are generally classified as either general or application controls. General controls deal with "housekeeping" items such as separation of functions, documentation, hardware and software controls, and security of the system. Application controls deal with control over input, processing and output of each individual application.

Auditors — both internal and external — should be involved in designing the system of internal control. A term widely used today, "computer auditing," is misleading because the computer does not perform an audit. People do. The computer is a tool used by the auditor to assist him in performing his audit. With technology always improving, both management and the auditor must continue to make progress in designing, implementing and continually testing the controls to cut down the chance of computer frauds occurring.

New York Times Service

## Stock Slide Casts Shadow on U.S. Hopes

By Karen W. Aronson

New York Times Service

NEW YORK — Amid multiple signs of an expanding U.S. economy, a sharply dissonant note is being sounded by the stock market.

Wednesday's 24-point plunge in the Dow Jones industrial average was only the latest decline in a month-long market slide. In early January, market analysts were talking optimistically of an election-year bull market that would break the 1,300 mark on the Dow. Now they are talking instead of a continuing fall, and whether the Dow will tumble through 1,150 or 1,100.

"There's no great mystery about it," said William Freund, senior vice president and chief economist at the New York Stock Exchange. "In the last couple of weeks, there's been a sudden realization that nothing is going to be done to deal with the deficit problem, at least in the dimensions required."

The deficit must be reduced by at least \$100 billion, he said, adding: "The president's plan for a downpayment of \$30 billion is simply not enough."

Wednesday, the Dow closed at 1,156.30, almost 130 points below the 1,286 level of early this year. And many companies not in the 30-stock industrial average, such as small high-technology issues and transportation stocks, have fallen further this year.

"The optimism early this year was based

on the fact that this was a presidential election year and on the expectation that the economy and corporate profits should keep moving up," said Robert Farrell, chief market analyst at Merrill Lynch & Co., the largest U.S. securities firm. "But then interest rates did not begin to come down, and some of the confidence in the market began to erode. The whole thing really began to accelerate during the last two weeks."

"Before that," he said, "people thought maybe the market was not doing well because of fears that President Reagan might not run for re-election. But that reasoning turned out to be a smokescreen, and all we got was a half-hour rally before the market resumed its descent. That really began to get anxiety levels up."

It is a descent that has been marked both by precipitous declines and by heavy volume, with trading on the New York Stock Exchange frequently exceeding 100 million shares daily — adding up to a monthly record in January. And it is a decline that has taken a toll on many investment portfolios, leaving money managers stunned and racing for cover. In its initial stages, however, it was viewed as being little more than a necessary and useful pause in a market that had climbed substantially since August 1982.

But now the forcefulness of the decline is causing many to reassess their views of the U.S. economy. They take the sagging market

as a sign of problems ahead for the economy — and possibly for Mr. Reagan, too.

How seriously to take the stock market's message has long been a matter of controversy. Though it is sometimes wrong, it is right often enough so that its moods are closely watched and it is used as a leading indicator. An early predictor of where the economy is headed. And that is why the negative performance of late has some people troubled.

"The market is not something one can ignore," said Gerald Tsai, vice chairman of American Can Corp. "When the market goes up, people do have a tendency to feel better. Consumers are more willing to spend money and higher stock prices also have an impact on corporate executives and their decisions on such things as plant expenditures. When the market goes down, the opposite occurs."

Whether the declining market will begin to act as a drag this year, Mr. Tsai said, "depends on how long the fall lasts."

When the decline began, many market analysts viewed it as a natural correction, or pause, in an otherwise healthy market climb. But as the fall has deepened, the market's behavior is being increasingly explained in terms of the federal budget deficits and the economic and financial problems that may lie ahead. And there is no question that the mood among many investors has changed.

(Continued on Page 13, Col. 3)

## NYSE Posts Broad Loss; Trading Heavy

United Press International

NEW YORK — Prices were broadly lower at the close of the New York Stock Exchange Thursday in very heavy trading.

The Dow Jones industrial average, which fluctuated in the early going, closed off 3.56 to 1,152.74, the lowest level since it finished at 1,145.32 on April 12, 1983. It plunged 24.19 Wednesday, the worst setback since it dropped 36.33 on Oct. 25, 1982.

The Dow transportation average was up 1.15 to 512.81 but the Dow utilities average was down 1.35 to 129.09.

Declines led advances by a 11-5 margin among the 2,002 issues traded.

Big Board volume was about 128.9 million shares, up from the 96.9 million traded Wednesday. Prices were lower in moderate

trading of American Stock Exchange issues.

Analysts said institutions have been moving in herd-like fashion to sell regardless of the news background. They said the bull market that began in August 1982 was getting its first major retrenchment.

Several analysts said the market was due to rebound after the Dow had dropped 130 points over the past five weeks but investors were nervous.

Jerome Hinkle of Sanford C. Bernstein & Co. said the early afternoon slide began "when the market was unable to hold onto a rally at that 1,150 level of the Dow average."

Mr. Hinkle said big institutions have begun to move into bonds because they are safer and their yields have become more attractive than those of equities although the slide has presented many bargain situations.

The midday rally attempt came after Paul A. Volcker, Federal Reserve chairman, said his statements Wednesday about the economy slipping into a recession because of large budget deficits and high interest rates were "overblown."

Investors were jolted late Wednesday when both he and Treasury Secretary Donald T. Regan and Federal Reserve Chairman Paul A. Volcker warned the nation could slip into a recession if the government does not cut the federal budget deficit.

Mr. Regan said the Fed's reluctance to ease credit could trigger the slide while Mr. Volcker said failure to cut the federal deficit was like playing "Russian roulette."

IBM, a 2 1/2 point loser Wednesday, was one of the most active issues and little changed.

Ford Motor Co. was active and lower. Ford said it planned to spend \$360 million to modernize two plants.

Long Island Lighting, which said it might have to cut staff and dividends because of losses on its Shoreham nuclear plant, was lower.

Purulor was sharply lower in active trading. The company said it could not explain the activity in its stock.

## U.S. Aide Says Slowing In M-1 Growth Risky

Compiled by Our Staff From Dispatches

WASHINGTON — The Reagan administration warned Thursday that the recent slowdown in money growth could pose a risk to the economic recovery over the next few months.

Beryl Sprinkel, undersecretary of the Treasury for monetary affairs, urged the Federal Reserve Board to maintain a "smoother, more stable and predictable path of money growth."

In testimony to the Senate Banking Committee, Mr. Sprinkel approved money goals that the nation's central bank announced Monday. He said they are "appropriate and consistent with a continued decline in inflation."

But he went on to say that the slowdown since last summer in M-1, which comprises cash and money in checking and similar accounts, was troublesome.

"This slowdown in money growth subjects the real economy to the risk of an unacceptable slowdown or downturn in the first half of 1984," that threat will grow, he said, the longer the money growth is kept to a slow rate.

The Fed controls the amount of money available for lending through its requirement on the reserves that banks must set aside. The Fed's objective for M-1 is for growth of 4 to 8 percent this year. M-1 increased 7.2 percent in 1983.

Mr. Sprinkel's warnings came as the Fed's chairman, Paul A. Volcker, told the Joint Economic Committee of Congress that monetary policy centers on the longer-term outlook for inflation, rather than narrowly on any particular value of the dollar.

Mr. Volcker said: "It's not a policy designed to maintain any particular value of the dollar."

He added that since the currency had risen very sharply in the past, sooner or later it will moderate. The extent and pace of any dollar decline would determine how the Fed reacted to it.

He also said a decline in the dollar would help reduce the U.S. trade deficit but that this would take time. Unless federal budget deficits are cut, pressures would be exerted on domestic financial markets, dampening investments.

Mr. Volcker stressed that if dependence on foreign money to finance deficits was reduced by cutting the deficits, the consequences of a declining dollar would be less widespread.

"Inflation is an animal that is never licked without continuing attention," he said. He added that the inflation outlook does not depend on the fiscal picture alone, but also on the ability of the United States to keep and improve on recent productivity gains.

Mr. Volcker said the best way to reduce the budget deficit is by spending cuts, but that if these were not possible, then tax increases should be considered. But both alternatives would eventually lead to lower interest rates as long as taxes were broadly based.

Despite pessimism over current bipartisan talks on deficit reduction, Mr. Volcker said he personally felt "a little bit better about the prospects of some consensus for action."

Mr. Sprinkel's warnings came scarcely a week after President Ronald Reagan presented his new budget forecasting years of prosperity. Both Mr. Sprinkel and other officials in the administration have this week complained that the bud-



Beryl Sprinkel

get deficits projected in the future are "unacceptably high."

Separately, Treasury Secretary Donald T. Regan told the Senate Appropriations Committee that if the budget deficits stayed high and appropriate monetary and fiscal policies were not followed, he could foresee the "possibility of our slipping back into recession again in the United States." (AP, Reuters)

## Chemical Bank Chief Calls Dollar Unstable

Reuters

NEW YORK — The capital flows currently propping up the dollar, despite massive trade imbalances, are dangerously unstable, the president of Chemical Bank, Thomas Johnson, said Thursday.

The dollar, meanwhile, continued to fall Thursday to around 1984 lows on most foreign-exchange markets.

Mr. Johnson told a conference here on prospects for the dollar that whenever market psychology changes, it will move the dollar down significantly. He said there is already an ominous questioning of the dollar's strength by some traders and that that strength may crack sometime soon.

"It is impossible to say when that moment will come but it may have begun last week as the grim reality of our head-in-the-sand national economic policy was confirmed in the fiscal 1985 budget," Mr. Johnson said.

The dollar closed against the

pound Thursday in London at \$1.4230, up from \$1.4130 Wednesday.

In Paris, the U.S. currency closed at 8.4005 francs, down from 8.4490 francs, and in Frankfurt, at 2.7295 Deutsche marks, down from 2.7520 DM.

Mr. Johnson said the capital flows supporting the dollar are based on high interest rates, which, in turn, reflect irresponsible federal fiscal policy. If future U.S. budget deficits were reduced materially, the dollar would decline in an orderly fashion to more sustainable levels. But it would remain strong by historical standards at around 2.50 DM, Mr. Johnson said.

A Brown Brothers Harriman & Co. partner, Robert Roosa, told the conference that a decisive turnaround in the dollar may at last be occurring after a long period of strengthening.

"More and more currencies are likely to mark early 1984 as their low point in a long cycle that began with the era of floating rates."



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As one of the larger commercial banks in Switzerland, TDB Geneva can give you a complete range of sophisticated banking services. We also give you the personal attention that can be so important to your business.

At TDB we serve our customers exceptionally well — and we do that in a number of ways. To begin with, we concentrate on the things we do best, such as trade and export financing, foreign exchange and banknotes, money market transactions and precious metals.

Secondly, our clients in Switzerland or abroad benefit from TDB's network of offices in many of the world's financial centers. And now that we have joined the American Express International Banking Corporation, with its 64 offices in 36 countries, we're even better placed to serve your individual banking needs.

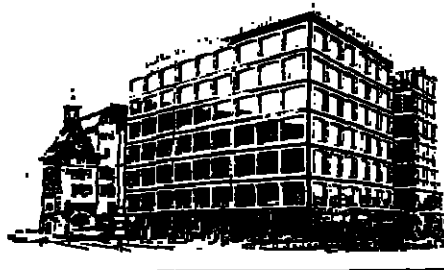
While our operations are international, we run our back-office systems with typical Swiss efficiency and discretion. You may not notice this directly, but

it shows up in quicker decisions and fewer errors.

So the next time you're in Switzerland, get in touch with us. In Geneva, call (022) 37 21 11; in Chiasso, (091) 44 19 91.

TDB banks in Geneva, London, Paris, Luxembourg, Athens, Chiasso, Monte Carlo, Nassau, Panama City.

TDB is a member of the American Express Group which has assets of over US\$ 28 billion and shareholders' equity of over US\$ 3 billion.



## Trade Development Bank

Shown at left, the head office of Trade Development Bank, Geneva.

An American Express Company

## CURRENCY RATES

Late interbank rates on Feb. 9, excluding fees. Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates at 4:00 pm EST.

	\$	DM	FF	£	Yen	S.F.	Yen
Amsterdam	2.0815	4.286	112.57	36.70	163.15	129.13	121.19
Brussels (a)	2.0815	4.286	112.57	36.70	163.15	129.13	121.19
Frankfurt	2.0815	4.286	112.57	36.70	163.15	129.13	121.19
London (b)	1.423	3.887	119.11	29.93	143.27	116.95	116.95
Milan	1.423	3.887	119.11	29.93	143.27	116.95	116.95
Paris (c)	1.423	3.887	119.11	29.93	143.27	116.95	116.95
New York (d)	1.423	3.887	119.11	29.93	143.27	116.95	116.95
Porto	1.423	3.887	119.11	29.93	143.27	116.95	116.95
Tokyo	1.423	3.887	119.11	29.93	143.27	116.95	116.95
Zurich	1.423	3.887	119.11	29.93	143.27	116.95	116.95
1 ECU	1.423	3.887	119.11	29.93	143.27	116.95	116.95
1 SDR	1.423	3.887	119.11	29.93	143.27	116.95	116.95

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NYSE Most Actives									
Symbol	High	Low	Open	Close	Change	Volume	High	Low	Open
IBM	124.5	123.5	124.0	123.5	-0.5	1,200,000	IBM	124.5	123.5
AT&T	102.5	101.5	102.0	101.5	-0.5	800,000	AT&T	102.5	101.5
GE	45.5	44.5	45.0	44.5	-0.5	600,000	GE	45.5	44.5
AMT	11.5	11.0	11.2	11.0	-0.2	400,000	AMT	11.5	11.0
IBM	124.5	123.5	124.0	123.5	-0.5	1,200,000	IBM	124.5	123.5

Dow Jones Averages									
Index	High	Low	Open	Close	Change	Volume	High	Low	Open
Indus	1157.0	1147.0	1150.0	1147.0	-7.0	1,200,000	Indus	1157.0	1147.0
Trans	125.0	124.0	124.5	124.0	-0.5	800,000	Trans	125.0	124.0
Comp	45.5	44.5	45.0	44.5	-0.5	600,000	Comp	45.5	44.5

NYSE Index									
Index	High	Low	Open	Close	Change	Volume	High	Low	Open
Comp	1157.0	1147.0	1150.0	1147.0	-7.0	1,200,000	Comp	1157.0	1147.0
Indus	125.0	124.0	124.5	124.0	-0.5	800,000	Indus	125.0	124.0
Trans	45.5	44.5	45.0	44.5	-0.5	600,000	Trans	45.5	44.5

NYSE Closing									
Index	High	Low	Open	Close	Change	Volume	High	Low	Open
Comp	1157.0	1147.0	1150.0	1147.0	-7.0	1,200,000	Comp	1157.0	1147.0
Indus	125.0	124.0	124.5	124.0	-0.5	800,000	Indus	125.0	124.0
Trans	45.5	44.5	45.0	44.5	-0.5	600,000	Trans	45.5	44.5

NYSE Diaries									
Index	High	Low	Open	Close	Change	Volume	High	Low	Open
Comp	1157.0	1147.0	1150.0	1147.0	-7.0	1,200,000	Comp	1157.0	1147.0
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NASDAQ Index									
Index	High	Low	Open	Close	Change	Volume	High	Low	Open
Comp	1157.0	1147.0	1150.0	1147.0	-7.0	1,200,000	Comp	1157.0	1147.0
Indus	125.0	124.0	124.5	124.0	-0.5	800,000	Indus	125.0	124.0
Trans	45.5	44.5	45.0	44.5	-0.5	600,000	Trans	45.5	44.5

AMEX Most Actives									
Symbol	High	Low	Open	Close	Change	Volume	Symbol	High	Low
IBM	124.5	123.5	124.0	123.5	-0.5	1,200,000	IBM	124.5	123.5
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Trans	45.5	44.5	45.0	44.5	-0.5	600,000	Trans	45.5	44.5

### BUSINESS

#### to Buy Scimed Subsidiary for

Scimed (Reuters) — Fisons PLC, a British pharmaceutical company, has agreed to buy Scimed, a subsidiary of the American pharmaceutical company, for \$1.2 billion. The deal is expected to close in the next few months.

#### Profina Sells Dist

Profina (Reuters) — Petrofina, a Belgian oil company, has sold its distribution network in the United States to a consortium of American companies. The sale is part of a larger restructuring of the company.

#### ers Increase In

ers (Reuters) — International Paper Co. has announced a 10% increase in its dividend. The company is also planning to expand its operations in the Asia-Pacific region.

#### Said to Reach

Said (Reuters) — The Italian government has said it is considering a takeover of a major telecommunications company. The move is seen as a way to strengthen the country's infrastructure.

#### Texscan Plan J

Texscan (Reuters) — Standard Telephones and Cables Ltd. has announced a plan to acquire a major telecommunications company. The deal is expected to create a global telecommunications giant.

#### Telephone Adv

Telephone (Reuters) — Hong Kong Telephone Co. has announced a plan to expand its services in the Asia-Pacific region. The company is also considering a takeover of a major telecommunications company.

#### INTERNATIO FOR RECON

Washington, D.C. — The International Development Bank has announced a plan to provide \$200,000,000 in aid to Germany. The aid is intended to help with reconstruction efforts.

#### Dresdner Bank

Dresdner Bank (Reuters) — Dresdner Bank AG has announced a plan to expand its services in the Asia-Pacific region. The company is also considering a takeover of a major telecommunications company.

## DOW, THE POUND and the AJANTA CAVES

When the D.J.'s were drooping around 790, our researchers flaunted prevailing opinion, predicting that "the Dow will touch 1,000 before hitting 750" subsequently stating that the Average will ultimately approach 2,000. Our optimism was challenged by prophets of pessimism, by those oblivious to the revolution of rising expectations. The beauty of creativity and hope, like the paintings in the Ajanta caves, can best be sensed by making a pilgrimage to it; to divine the complicated Arabesque of achievement. Let us assist you in deciphering the ever-changing fiscal Rosetta Stone of the Power Elite, a tablet that reveals the ebb and flow of money movements. A market comparable to the one currently cascading, washing away fear, may occur but once in an adult's lifetime; to stay neutral is financial self-immolation. There will be spastic corrections as investors shuffle out of one group of equities, into another, as many did when we warned the Street, months ago, against the mania of high-tech shares; categorizing APPLE as a "Lemon" at \$56, current price \$27, or more recently, urging the short sale of NATIONAL SEMI-CONDUCTOR at \$57. Adjusted for a 3-1 split, "NSM" is trading around \$15.

Since January, 1982, approximately 85% of equities recommended by F.P.S. have advanced; some "special situations" have escalated 400% or more. Our forthcoming letter focuses upon N.Y.S.E. shares that may be "take-over" candidates at premium prices. In addition we recommend the purchase of the British Pound, the shorting of the Japanese Yen; and the accumulation of two emerging equities offering the potential of arithmetically progressing gains with limited risk.

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NYSE Most Actives									
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IBM	124.5	123.5	124.0	123.5	-0.5	1,200,000	IBM	124.5	123.5



## BUSINESS BRIEFS

## Fisons to Buy Scimed International And Its Subsidiary for \$50 Million

LONDON (Reuters) — Fisons PLC, the British pharmaceutical company, said Thursday it had agreed to buy Scimed International Co. and its operating subsidiary, Curtin Matheson Scientific Co., for \$50 million from Coulter Electronics, a private U.S. company.

Fisons said net tangible assets of the purchase total \$31 million, and the acquisition is being financed by the issue of 4.9 million Fisons shares to the vendor. The company expects the enhanced margins from the new distribution agreement to add at least \$3.5 million to current profits in the first year.

Curtin, based in Houston, is a major distributor to the U.S. health-care market. The deal includes a long-term distribution agreement, and Curtin will continue as the exclusive U.S. distributor for most Coulter instruments and consumer goods.

## Petrofina Sells Distribution Chain

BRUSSELS (Reuters) — Petrofina, Belgium's leading international oil company, said Thursday it had sold its Swedish gasoline-distribution network, Svenska Fina, to Sweden's state-owned Svenska Petroleum AB for an undisclosed amount.

With 121 distribution points, Svenska Fina has 2.5 percent of the Swedish gasoline market, a Petrofina spokesman said. He said the purchase of the loss-ridden distribution network will enable Svenska Petroleum to increase the utilization rate of its oil refineries.

The agreement still has to be ratified by Svenska Petroleum's board, the spokesman said.

## Bankers Increase Indonesian Loan

JAKARTA (Reuters) — International bankers said Thursday they intend to lend Indonesia \$600 million, \$100 million more than originally sought, because of the nation's economic recovery.

The rush last week to participate in a loan of \$500 million was so overwhelming that the loan coordinators told the central bank that it could have more money, and it accepted.

The favorable terms and higher amount of the loan show that the banking community is distinguishing Indonesia from other developing countries with big debt problems, bankers said.

## STET Said to Reach Accord With IBM

ROME (Reuters) — The Italian state telecommunications holding company, STET, has reached two outline agreements with International Business Machines Corp. on technical collaboration, according to reports Thursday.

The agreements, subject to ratification by STET's parent corporation, IRI, were reached in Paris talks between STET and senior IBM management, a report in the Milan daily, Corriere della Sera, said.

## STC, Texscan Plan Joint Venture

LONDON (HTT) — Standard Telephones & Cables PLC and Texscan Corp. said Thursday they have formed a joint venture to market Texscan cable-television equipment in Britain.

London-based STC plans to make Texscan equipment under license in Britain. The two companies eventually intend to develop products jointly and sell them overseas.

Among the chief rivals of the new venture, STC-Texscan Ltd., is a joint venture formed in 1982 by Racal Electronics PLC of Britain and Oak Industries Inc. of California. Officials of Texscan, based in Phoenix, Arizona, said the company is expanding in Europe and already has made sales in Britain, West Germany, Switzerland, Ireland and France.

## H.K. Telephone Advises Its Holders

HONG KONG (Reuters) — Hong Kong Telephone Co. Thursday advised shareholders to consider retaining their holdings rather than accepting the general offer for its shares by Cable & Wireless PLC, the British telecommunications company.

A joint statement by a committee of Hong Kong Telephone's board and its adviser, Jardine Fleming (Securities), said the 1983 unaudited profits of Hong Kong Telephone have been estimated at 403 million Hong Kong dollars (\$51.7 million), 39 percent above those of 1982.

C&W embarked Monday on a bid to buy the 62 percent of the Hong Kong concern it did not already own. The company announced Wednesday it controlled 52.4 percent.

## EDF, 2 Banks Issue FRNs

Reuters

LONDON — Electricite de France and two banks issued floating-rate notes Thursday, banks said. EDF's \$400-million, 15-year Euronote pays interest of 1/4 percent above the London interbank offered rate for six-month Eurodollar deposits, and is noncallable for 10 years.

Banque Nationale de Paris is the lead manager.

Bank für Gemeinwirtschaft Aktiengesellschaft of West Germany issued a \$100-million, 12-year floating-rate note, Samuel Montagu & Co. said as lead manager.

The issue also pays interest of 1/4 percent above the London interbank offered rate for six-month Eurodollar deposits. There is a put option after seven years. The payment date is March 1.

Banque Bruxelles Lambert SA is raising \$100 million through a 15-year floating-rate note, according to the lead manager, Credit Suisse First Boston Ltd.

Maturing in April 1999, the issue pays 1/4 percent point over the mean of the bid and offered rates for six-month Eurodollar deposits, with a minimum coupon of 5 percent. The payment date is April 11. The borrower can call the issue from April 1985 at par.

## U.K. Banks Start New Check-Clearing System

By Barnaby J. Feder

New York Times Service

LONDON — British banks began using a new computer system Thursday that has been billed as the fastest, most secure answer yet to the problem of how to speed the check-clearing process.

The Clearing House Automated Payments System, known as CHAPS, is the result of a decade of study and development that, by some estimates, has cost its participants up to \$30 million.

The system is expected to extend same-day clearance of large checks, now available only in London's financial district, to millions of individual and corporate customers throughout Britain. Eventually, it would permit same-day clearance of checks as long after the current 3 P.M. deadline.

CHAPS is also expected to hold the line on the rising cost of same-day check clearing, which now involves huge amounts of paper and more than 800 messengers traveling around crowded streets and lanes in the City of London. Town Clearing, as the current same-day system is known, involves only a tiny percentage of checks — the average payment is about \$3 million — and the minimum is about \$14,000 — but even these restrictions have barely kept it manageable.

Various attempts have been made at stretching the 3 P.M. deadline for large money-market trans-

actions. Already, by informal arrangements, some of the large transactions now come in up to 3:30 P.M., but bankers would like the same-day clearance to extend even later in the afternoon.

The CHAPS system will deal only with payments in British pounds at first, but it could be programmed to handle general-purpose credit transfers or to deal with other currencies. Bankers in London believe its success would enhance the City's reputation for innovative banking.

One of the most notable aspects of CHAPS is what it is not. In early 1980, four months before the first version of the system was scheduled to come on line, the 13 clearing banks involved decided to take a new tack in light of advances in computer technology. The system they abandoned was built around one large central computer, much like the automated system adopted in 1971 in New York.

New York's system typically handles about 100,000 transactions

daily, or about six times as many as the projected near-term demand for CHAPS. Nevertheless, the London banks turned to a form of distributed processing, a system in which each bank has a separate electronic "gateway" into a British telephone information-switching service.

The information on the check, which usually travels through banks in a coded form, is recorded and then shuttled from the gateway through which the payment order is made to the gateway of the bank receiving it.

Payment is guaranteed by the sending clearer the moment the information passes its gateway.

Critics of CHAPS, notably U.S. banks and large merchant banks, contend that its designers have simply mechanized the existing Town Clearing System and thus missed broader opportunities to use the system for other banking transactions.

Moreover, they argue, the system gives the 12 banks that share check-clearing responsibilities with the Bank of England an edge in the competition for corporate clients because the clearers can include cut-rate CHAPS-related services in money-management packages.

They set out to design competitive services, but they have gone too far," said Archibald Reid, head of management services at the merchant bank Hill Samuel & Co. "Once a participating bank signs

up with a clearer, the competition ends because you are locked in."

The problem, Mr. Reid and other bankers said, is that there is no convenient way to "talk" to CHAPS at more than one clearer because they are using a variety of computer systems on the approach paths to their gateways. Critics say that makes life difficult for banks and corporate customers, most of whom use more than one clearing bank.

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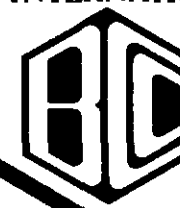
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INT/10/2

## Stock Slide Is Casting Shadow Over U.S. Hopes

(Continued from Page 11)

with optimism giving way to increasing pessimism.

"The market would have gone down anyway because everyone was fully invested," said Laurence Tisch, chairman of Loews Corp.

"But the basic issue is really the confidence factor. The budget deficits are scaring many more people now. There is a worry about the \$180-billion deficit projected for this year, which is supposed to be a relatively strong year for business. But if 1985 or 1986 are recession years, we could see deficits of \$250 billion or \$300 billion."

But the budget deficits are hardly news. What finally turned the market's focus from the strength in the economy to potential weaknesses? And how did the mood change so quickly?

Wall Street analysts say there seems to have been a combination of factors responsible for the turn. And once the shift occurred, it began to feed on itself.

As the new year opened, market seers were talking of the Dow average breaking through 1,300 for the first time. The only question for many of them was how soon, not whether.

But in mid-January, things began to change. Retail sales in December were somewhat disappointing. Fourth-quarter economic activity was solid but less than many had anticipated. Economists began to shave their growth estimates for 1984. Finally, Mr. Reagan confirmed that in this election year he did not plan to seek major changes to break the impasse on federal budget deficits.

Furthermore, the budget plight has been underlined again and again in recent weeks as Washington's top economic policy makers — Paul A. Volcker, chairman of the Federal Reserve; Treasury Secretary Donald T. Regan and Martin S. Feldstein, chairman of the Council of Economic Advisers — have all appeared on Capitol Hill to discuss the budget and the economy.

As the economic picture grew more tempered, so did the outlook on Wall Street. "By mid-January, market technicians began to say the market was laboring, and began to change some of their more optimistic forecasts from December," said M.J. Rosent, director of the Twentieth Century Fund.

In fact, he and others point out that many stocks had been struggling for some time and actually peaked last June. Since then, the overall market has mostly been marking time, with some shares advancing while others lost ground as investors shifted their portfolios out of higher-risk issues — particularly small, high-technology issues — to large, blue-chip issues that were expected to perform soundly throughout the recovery.

One further problem that arose in January was an absence of any influx of new money to fuel a continued climb. It had been widely expected that interest rates would be falling, making stocks look increasingly attractive, even at higher prices. Instead, interest rates have edged up a bit. Measured against the uncertainties ahead for the stock market, many money managers have opted to take what profits they have already made and leave the stock market.

There also has been less of an inflow of corporate pension money than is typical for January. Nor has the public been ready to pour money into stocks. In fact, Mr. Farrell of Merrill Lynch said, "the public has been moderately on the sell side for the last six months."

Once the market started to slip, the downward momentum reinforced itself. Even investors who were bullish began to pull out of the market until stability returned.

How long the bearish sentiment will last is anybody's guess. The downturn itself could begin to run out of steam as investors begin to look for bargains among the reduced price stocks.

There are still some optimists, however. "I think the market is getting set up for a fantastic 1985," said John M. McCarthy, managing partner at Lord, Abett & Co., a brokerage firm.

But many other analysts doubt that a real resurgence can come until Washington grapples with the deficits.

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New Issue  
February 10, 1984

All of these bonds having been placed, this announcement appears for purposes of record only.

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Washington, D.C.

DM 200,000,000  
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Interest: 8 % p.a., payable annually on February 15  
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Repayment: February 15, 1994 at par  
Listing: at all German stock exchanges

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Dresdner Bank  
Aktiengesellschaft

Commerzbank  
Aktiengesellschaft

Westdeutsche Landesbank  
Girozentrale

ADCA-Bank  
Aktiengesellschaft  
Allgemeine Deutsche Credit-Anstalt  
Badische Kommunale Landesbank  
— Girozentrale —  
Bayerische Landesbank  
Girozentrale  
Berliner Bank  
Aktiengesellschaft  
Bremer Landesbank  
Kreditanstalt Oldenburg  
— Girozentrale —  
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Deutsche Länderbank  
Aktiengesellschaft  
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Georg Heuck & Sohn Bankiers  
Kommanditgesellschaft auf Aktien  
Bankhaus Hermann Lampe  
Kommanditgesellschaft  
Landesbank Schleswig-Holstein  
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Aktiengesellschaft  
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Aktiengesellschaft  
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Aktiengesellschaft  
Berliner Handels- und Frankfurter Bank  
Richard Daus & Co., Bankiers  
Deutsche Girozentrale  
— Deutsche Kommunalbank —  
Conrad Hinrich Donner  
Hamburgische Landesbank  
— Girozentrale —  
Hessische Landesbank  
— Girozentrale —  
Landesbank Rheinland-Pfalz  
— Girozentrale —  
Merck, Finck & Co.  
Norddeutsche Landesbank  
Girozentrale  
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Schwabische Bank  
Aktiengesellschaft  
Trinkaus & Burkhart

Westfalenbank  
Aktiengesellschaft

Baden-Württembergische Bank  
Aktiengesellschaft

Bayerische Hypotheken- und Wechsel-Bank  
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Bankhaus Gebrüder Bethmann

Delbrück & Co.

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Deutsche Genossenschaftsbank  
Effectenbank-Warburg  
Aktiengesellschaft  
Handels- und Privatbank  
Aktiengesellschaft  
von der Heydt-Karsten & Söhne

Landesbank Saar Girozentrale  
B. Metzger, Seel, Sohn & Co.

Oldenburgische Landesbank  
Aktiengesellschaft  
Karl Schmidt Bankgeschäft  
Simonbank  
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Grains

	Open	High	Low	Close
WHEAT	13.75	13.85	13.70	13.75
Barley	13.75	13.85	13.70	13.75
Oats	13.75	13.85	13.70	13.75
Rye	13.75	13.85	13.70	13.75
Sorghum	13.75	13.85	13.70	13.75
Feed	13.75	13.85	13.70	13.75
Pre. Day Open Int.	13.75	13.85	13.70	13.75

U.S. Futures Prices Feb. 9

	Open	High	Low	Settle
COFFEE C	13.75	13.85	13.70	13.75
SUGAR	13.75	13.85	13.70	13.75
SOYBEANS	13.75	13.85	13.70	13.75
SOYBEAN MEAL	13.75	13.85	13.70	13.75
SOYBEAN OIL	13.75	13.85	13.70	13.75
FEEDER CATTLE	13.75	13.85	13.70	13.75
HOGS	13.75	13.85	13.70	13.75
PORK BELLIES	13.75	13.85	13.70	13.75

Financial

	Open	High	Low	Settle
U.S. TREASURY BONDS	13.75	13.85	13.70	13.75
U.S. TREASURY NOTES	13.75	13.85	13.70	13.75
U.S. TREASURY STOCKS	13.75	13.85	13.70	13.75
U.S. TREASURY DEBENTURES	13.75	13.85	13.70	13.75
U.S. TREASURY SHORT-TERM	13.75	13.85	13.70	13.75

Stocks

	Open	High	Low	Settle
NYSE	13.75	13.85	13.70	13.75
AMEX	13.75	13.85	13.70	13.75
OTC	13.75	13.85	13.70	13.75
NASDAQ	13.75	13.85	13.70	13.75
NYSE	13.75	13.85	13.70	13.75

Commodity

	Open	High	Low	Settle
WHEAT	13.75	13.85	13.70	13.75
BARLEY	13.75	13.85	13.70	13.75
OATS	13.75	13.85	13.70	13.75
RYE	13.75	13.85	13.70	13.75
SORGHUM	13.75	13.85	13.70	13.75

Metals

	Open	High	Low	Settle
COPPER	13.75	13.85	13.70	13.75
ALUMINUM	13.75	13.85	13.70	13.75
ZINC	13.75	13.85	13.70	13.75
LEAD	13.75	13.85	13.70	13.75
SILVER	13.75	13.85	13.70	13.75

Oil

	Open	High	Low	Settle
CRUDE OIL	13.75	13.85	13.70	13.75
HEATING OIL	13.75	13.85	13.70	13.75
KEROSENE	13.75	13.85	13.70	13.75
DIESEL	13.75	13.85	13.70	13.75
AVIATION	13.75	13.85	13.70	13.75

Gold Options

	Open	High	Low	Settle
Gold	13.75	13.85	13.70	13.75
Silver	13.75	13.85	13.70	13.75
Platinum	13.75	13.85	13.70	13.75
Palladium	13.75	13.85	13.70	13.75
Rhodium	13.75	13.85	13.70	13.75

London Metals Feb. 9

	Open	High	Low	Settle
Gold	13.75	13.85	13.70	13.75
Silver	13.75	13.85	13.70	13.75
Platinum	13.75	13.85	13.70	13.75
Palladium	13.75	13.85	13.70	13.75
Rhodium	13.75	13.85	13.70	13.75

London Commodities Feb. 9

	Open	High	Low	Settle
Wheat	13.75	13.85	13.70	13.75
Barley	13.75	13.85	13.70	13.75
Oats	13.75	13.85	13.70	13.75
Rye	13.75	13.85	13.70	13.75
Sorghum	13.75	13.85	13.70	13.75

Cash Prices Feb. 9

	Open	High	Low	Settle
Wheat	13.75	13.85	13.70	13.75
Barley	13.75	13.85	13.70	13.75
Oats	13.75	13.85	13.70	13.75
Rye	13.75	13.85	13.70	13.75
Sorghum	13.75	13.85	13.70	13.75

Dividends Feb. 9

	Open	High	Low	Settle
Wheat	13.75	13.85	13.70	13.75
Barley	13.75	13.85	13.70	13.75
Oats	13.75	13.85	13.70	13.75
Rye	13.75	13.85	13.70	13.75
Sorghum	13.75	13.85	13.70	13.75

AMEX High-Lows Feb. 9

	Open	High	Low	Settle
Wheat	13.75	13.85	13.70	13.75
Barley	13.75	13.85	13.70	13.75
Oats	13.75	13.85	13.70	13.75
Rye	13.75	13.85	13.70	13.75
Sorghum	13.75	13.85	13.70	13.75

NYSE High-Lows Feb. 9

	Open	High	Low	Settle
Wheat	13.75	13.85	13.70	13.75
Barley	13.75	13.85	13.70	13.75
Oats	13.75	13.85	13.70	13.75
Rye	13.75	13.85	13.70	13.75
Sorghum	13.75	13.85	13.70	13.75

Valencia Weld S.A.

1211 Geneva, Switzerland

31 02 51 - Telex 28 305

London Metals Feb. 9

Figures in sterling per metric ton.

Silver in pence per ounce.

London Commodities Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

Cash Prices Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

Dividends Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

AMEX High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

NYSE High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

SONY CORPORATION

CDRs

The undersigned announces that the Annual Report 1983 of Sony Corporation will be available in Amsterdam at

XEROX CORPORATION

CDRs

The undersigned announces that as from 14th February, 1984, Xerox Corporation will be available in Amsterdam at

Paris Commodities Feb. 9

Figures in francs per metric ton.

Gold in U.S. dollars per ounce.

AMEX High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

NYSE High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

CASIO COMPUTER

CO., LTD.

CDRs

The Board of Directors of Casio Computer Co., Ltd. has announced that shareholders, who will be registered in the books of the Company on March 20th, 1984 (Tokyo time), will be entitled to receive a 10% gratis distribution of new shares.

Schlumberger

The undersigned announces that as from 15th February, 1984, Schlumberger will be available in Amsterdam at

AMEX High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

NYSE High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

AMEX High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

NYSE High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

AMEX High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

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The undersigned announces that the Annual Report 1983 of Amsterdam Depository Company N.V. will be available in Amsterdam at

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AMEX High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

NYSE High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

AMEX High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

NYSE High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

AMEX High-Lows Feb. 9

Figures in sterling per metric ton.

Gold in U.S. dollars per ounce.

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is pleased to announce the opening of an office in Geneva

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## Schlumberger Says Net Loss

### Japan Tie Cost Jobs

NEW YORK — Schlumberger, the world's largest oilfield services company, reported a net loss of \$14.4 million for the fourth quarter, down from \$14.4 million in the third quarter. The company's net loss for the year ended December 31 was \$14.4 million, compared with a net income of \$14.4 million in 1983.

The company's net loss for the fourth quarter was primarily due to a \$14.4 million loss on the sale of its Japanese subsidiary, Schlumberger Japan, which was sold to a Japanese consortium. The sale was part of a strategy to reduce costs and improve efficiency.

Schlumberger's net loss for the fourth quarter was also due to a \$14.4 million loss on the sale of its Japanese subsidiary, Schlumberger Japan, which was sold to a Japanese consortium. The sale was part of a strategy to reduce costs and improve efficiency.

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Lee A. Iacocca

Chrysler has filed a private antitrust suit in federal court against Lee A. Iacocca, chairman of Chrysler Corp., for allegedly conspiring with Japanese car makers to build small cars in the U.S. market.

The suit, filed in the U.S. District Court in Detroit, alleges that Iacocca conspired with Japanese car makers to build small cars in the U.S. market, thereby harming American car makers.

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## Aiming for a Piece of Japanese Trust-Banking

### U.S. Bankers, Japanese Brokers Form Ventures Under Free-Trade Banner

By William Chapman

Washington Post Service

TOKYO — In an unusual alliance, U.S. bankers and Japanese stockbrokers are linking up in joint ventures and aiming for a piece of Japan's large and lucrative trust-banking business.

The initiative originally came from the securities houses, which are quick to see the size of the market.

Moneda Securities Co., biggest of the big four securities houses, broke the ice by announcing a joint venture with Morgan Guaranty Trust Co. The other three quickly followed suit.

Chubank, Yamachi Securities Co. with Chemical Bank and Nikko Securities with BankAmerica Corp. While details have not been disclosed, it is understood that all four arrangements will be equal partnerships.

The Finance Ministry, whose approval is necessary, has indicated that it opposes the entry of these ventures into Japan's trust business. It has long overseen the trust business, which is a highly regulated and profitable industry.

The companies recently seized on the handy issue of trade reciprocity as their vehicle. Japanese banks, newly aggressive overseas, are technically free to enter the big U.S. trust business but U.S. banks cannot do that in Japan.

By allying themselves with U.S. banks, the Japanese securities houses hope to ride in on the free-trade issue with their new partners. U.S. banks and trade negotiators are making the concept of reciprocal trust-banking a major issue in talks this week on bilateral investments.

Japanese securities houses realized that there would be pressure from abroad to liberalize Japan's

capital markets," observed one U.S. banker involved in the planning. "Also they know that American banks have wide experience in this field and it seemed logical to tie up with them."

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## ADVERTISEMENT

### INTERNATIONAL FUNDS

9 February 1984

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose values are based on issue prices. The following information is provided for informational purposes only and is not intended to be a recommendation to buy or sell any of the funds. (d) dollar; (w) weekly; (b) bi-monthly; (r) quarterly; (i) irregularly.

AL-MANAGEMENT CO. SA. \$14.87

BANK JULIUS BAER & CO. LTD. \$11.97

BANK OF AMERICA \$11.97

BANK OF AMERICA \$11.97

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## Creation Stressed

### OECD Conference

Peter Kenyon

Reuters

Government ministers and union representatives from non-Communist countries, in an apparent direction, have agreed to create a new body to give economic policy.

The main conclusion of a conference at the Organisation for Economic Co-operation and Development, which ended yesterday, contrasts sharply with the one reached in the recent OECD summit.

Minister John Dawkins, who was chairman of the session, said at a news conference that the OECD summit was "a failure" in that it did not produce a high level of agreement on economic policy.

OECD member countries, especially in Europe, renewed economic growth has imposed changes on industrial economies through international trade and the introduction of new technologies, the secretary reported. The conference participants agreed that it was important to encourage this structural change.

But sharp differences emerged about the responsibility of governments for dealing with the social costs of industrial adjustment, particularly between the United States and many European countries, conference sources said.

In an unexpected move, spokesmen for the OECD's Business and Industry Advisory Committee and its Trade Union Advisory Committee announced that they intended to hold talks on possible cooperation to boost job creation.

The general secretary of the trade union committee, Kari Tapola, said after the conference that both sides had agreed there was scope for increased public-sector investment, as proposed by a recent labor-management report in the United States.

Trade union representatives threatened what they saw as an attempt by the OECD to push the case for wage cuts as a means of reducing unemployment.

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## COMPANY EARNINGS

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